

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

IN-24

**Journal
des débats
(Hansard)**

IN-24

**Standing Committee
on the Interior**

Keeping Energy Costs
Down Act, 2024

1st Session
43rd Parliament

Tuesday 16 April 2024

**Comité permanent
des affaires intérieures**

Loi de 2024 visant à maintenir la
facture énergétique à un niveau
abordable

1^{re} session
43^e législature

Mardi 16 avril 2024

Chair: Aris Babikian
Clerk: Thushitha Kobikrishna

Président : Aris Babikian
Greffière : Thushitha Kobikrishna

Hansard on the Internet

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

<https://www.ola.org/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7400.

Le Journal des débats sur Internet

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

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7400.

House Publications and Language Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400
Published by the Legislative Assembly of Ontario



Service linguistique et des publications parlementaires
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400
Publié par l'Assemblée législative de l'Ontario

ISSN 2816-7279

CONTENTS

Tuesday 16 April 2024

Keeping Energy Costs Down Act, 2024, Bill 165, Mr. Todd Smith / Loi de 2024 visant à maintenir la facture énergétique à un niveau abordable, projet de loi 165, M. Todd Smith.....	IN-499
--	--------

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE
ON THE INTERIOR**

**COMITÉ PERMANENT
DES AFFAIRES INTÉRIEURES**

Tuesday 16 April 2024

Mardi 16 avril 2024

The committee met at 0900 in committee room 1.

KEEPING ENERGY COSTS DOWN
ACT, 2024
LOI DE 2024 VISANT À MAINTENIR
LA FACTURE ÉNERGÉTIQUE
À UN NIVEAU ABORDABLE

Consideration of the following bill:

Bill 165, An Act to amend the Ontario Energy Board Act, 1998 respecting certain Board proceedings and related matters / Projet de loi 165, Loi modifiant la Loi de 1998 sur la Commission de l'énergie de l'Ontario en ce qui concerne certaines instances dont la Commission est saisie et des questions connexes.

The Chair (Mr. Aris Babikian): Good morning, everyone. The Standing Committee on the Interior will now come to order. We are here to conduct clause-by-clause consideration of Bill 165, An Act to amend the Ontario Energy Board Act, 1998 respecting certain Board proceedings and related matters.

Please wait until I recognize you before starting to speak, and as always, all comments should go through the Chair.

Are there any questions before we begin? Seeing none, are there any comments or questions to any section or schedule of the bill, and if so, to which section? MPP Tabuns.

Mr. Peter Tabuns: For section 2, I just want to note that the first two amendments we're bringing forward were recommended—

Interjection.

The Chair (Mr. Aris Babikian): We are going to come to section 2. If you want, you can make your comments right now, or you can leave it until we reach section 2.

Mr. Peter Tabuns: Well, you had asked for comments on the bill.

The Chair (Mr. Aris Babikian): I understand. Go ahead.

Mr. Peter Tabuns: I want to note that the first two amendments we brought forward were recommended by Unifor, the people who represent the gas workers themselves, and they are meant to reduce costs to consumers by dealing with leakage and by avoiding the use of private contractors, the use of which allows Enbridge to bypass the regulatory process.

I just wanted to make those comments in advance.

The Chair (Mr. Aris Babikian): Now we'll move to section-by-section examination.

Is there any debate on section 1? I see none. Are the members ready to vote on section 1? Shall section 1 carry? All in favour, please raise your hand.

Ms. Goldie Ghamari: Wait, what?

The Chair (Mr. Aris Babikian): Section 1.

Any opposition? Section 1 is carried.

Now we'll move to section 2. There is amendment 1, from the official opposition. MPP Tabuns.

Mr. Peter Tabuns: I move that section 2 of the bill be amended by adding section 4.4.2 to the Ontario Energy Board Act, 1998:

“Methane leaks

“4.4.2 The board shall, having regard to the interests of consumers with respect to prices and the reliability and quality of gas service, provide for the monitoring and prevention of methane leakages from regulated gas systems and for the publication of reports on such leakages.”

The Chair (Mr. Aris Babikian): Any further debate on amendment 1? MPP Tabuns.

Mr. Peter Tabuns: I'd just like to say that we have an ongoing and possibly significant problem with leakage of methane or natural gas from the system. It's bad in terms of safety. It leads to explosions. It's bad in terms of exposure of workers and consumers to methane. Large-scale leakage also leads to increased prices for consumers.

I would urge the committee to adopt this amendment. And I would like a recorded vote.

The Chair (Mr. Aris Babikian): MPP Shaw.

Ms. Sandy Shaw: I would just like to add to the comments from MPP Tabuns—that we heard directly at committee from Unifor. It was a surprise and a shock to me—the significant amount of leakage and the lack of oversight in reporting when it comes to methane gas emissions, both for the health of consumers and the risk to consumers and the health of workers.

I would say this is an excellent amendment that we all should be supporting, because we want to make sure that we keep our workers safe and we want to make sure we keep consumers safe. In the end, methane gas leaking unchecked is not good for anybody, so I'm hoping that the government will support this reasoned amendment.

The Chair (Mr. Aris Babikian): Any further comments or debate? No? Okay.

A recorded vote is asked, so I am going to put the question.

Ayes

McCrimmon, Shaw, Tabuns.

Nays

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

The Chair (Mr. Aris Babikian): The amendment is lost.

We'll move to the second amendment from the official opposition. MPP Tabuns.

Mr. Peter Tabuns: I move that section 2 of the bill be amended by adding section 4.4.3 to the Ontario Energy Board Act, 1998:

“Contractors

“4.4.3 The board shall, having regard to the interests of consumers with respect to prices and the reliability and quality of gas service, monitor and periodically review the use of contractors by regulated gas distributors and transmitters and publish reports on such usage.”

When the opportunity comes, I'd like to speak to this.

The Chair (Mr. Aris Babikian): Any further debate or comments on the amendment? MPP Tabuns.

Mr. Peter Tabuns: Again, I want to note that the people who actually work in the gas system, represented by Unifor, asked for this, pointing out to me—and I think they pointed it out during their presentation—that it is very easy for Enbridge to get around regulations by contracting out and, thus, any controls on rate of return, on fairness in purchasing are evaded. This would actually give the board far greater ability to, in fact, regulate the utility they're dealing with. And I would say that in terms of consumer interest, this is very important. If the utility, which is a monopoly, is unregulated, then the prices that people pay are going to be higher than they should pay.

I would like a recorded vote.

The Chair (Mr. Aris Babikian): Any further debate? MPP Shaw.

Ms. Sandy Shaw: I, too, would like to add to the comments on this amendment.

It would seem to me that this is, again, a very reasonable amendment, given that we heard directly from folks who work in this industry, from Unifor—they brought to us this concern, as has been stated. I will say again, Enbridge is a monopoly, and we expect the government and the regulator to provide good regulations and to provide an oversight regime that's serious, that helps to protect consumers. The fact that this is just a review and a reporting of the use of contractors—it's not asking a lot. But it certainly is signalling that the government, by voting in favour of this amendment—would be signalling that they're very concerned with the health and well-being of consumers and also of the people who work in this industry.

I certainly hope that the government will see through their ideology, if I may say, to vote for an amendment that protects my constituents and your constituents.

The Chair (Mr. Aris Babikian): Any further debate or comments? MPP Yakabuski.

Mr. John Yakabuski: I'd like to call for a vote.

The Chair (Mr. Aris Babikian): Okay.

Mr. Peter Tabuns: Recorded vote, please.

Ayes

McCrimmon, Shaw, Tabuns.

Nays

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

The Chair (Mr. Aris Babikian): The amendment is lost.

Shall section 2 carry? All in favour, please raise your hand. All in opposition? Section 2 is carried.

We'll move to section 3. There are no amendments to section 3. Is there any debate on section 3? I see none.

I'm going to put the question. All in favour of section 3, please raise your hand. All in opposition, please raise your hand. Section 3 is carried.

0910

We'll move to section 4. There is an amendment 3 for section 4. MPP Tabuns.

Mr. Peter Tabuns: I move that section 4 of the bill be amended by adding the following subsection to section 28.8 of the Ontario Energy Board Act, 1998:

“Limitation re determination

“(2.1) In determining a matter referred to in subsection (2) concerning the economic feasibility of an increase in the capacity of the natural gas distribution system, the board shall ensure that residential consumers do not bear risks of higher costs that are due to inaccurate projections provided by a proponent of the increase in capacity.”

When the time comes, I'd like to speak to that.

The Chair (Mr. Aris Babikian): Any further debate or comments on amendment 3? MPP Tabuns.

Mr. Peter Tabuns: This amendment relates to generic hearings. If the OEB is directed to hold a generic hearing on the economic feasibility of natural gas expansions, any determination that comes from that hearing cannot impose higher-cost risks onto consumers that are the result of inaccurate projections provided by the proponent of the expansion. In other words, if Enbridge, say, provides overly optimistic numbers to justify expansion, then Enbridge shareholders must bear the risk—not consumers—if those projections turn out to be inaccurate.

I will note again, in the presentation by Enbridge to the Ontario Energy Board, their own economic advisers noted that the potential was substantial for shortfalls in use of gas infrastructure in the future, as people switch away from gas. The board ultimately ruled in favour of consumers, saying that if there is a risk, it's not the consumers who should bear that risk, but in fact the owners of the system. I think it's reasonable. Everyone in this room would say that we should be protecting the consumers, who are already hard-pressed.

The Chair (Mr. Aris Babikian): Any further comments? MPP Shaw.

Ms. Sandy Shaw: Again, this whole bill is a shock to me—that the government would be siding with Enbridge and with shareholders over people who are trying to pay their increasingly expensive gas bill.

It says right here in the amendment “that residential consumers do not bear risks of higher costs that are due to inaccurate projections....” Wouldn’t you feel that way? If you’re buying a product from some company and they provide inaccurate projections, do you expect to pay for that mistake?

My question to this government is, yet again, why are you ensuring that consumers will be paying higher gas bills, in every part of this bill and the entire concept of the bill? And certainly, why would you not expect that those that are profiting—the Enbridge corporation and the shareholders—should bear the risks of inaccurate projections? It’s just common sense.

Again, I would hate to see the government voting to ensure that your constituents will pay higher rates going forward for years and years and decades to come. This amendment would be a small measure to protect your constituents and consumers. I cannot imagine, for the life of me, why the government would vote against this.

I call for a recorded vote when the time comes.

The Chair (Mr. Aris Babikian): Any further debate or comments? Seeing none, I’m going to put the question.

Mr. Peter Tabuns: Recorded vote.

Ayes

McCrimmon, Shaw, Tabuns.

Nays

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

The Chair (Mr. Aris Babikian): The motion is lost. We’ll move to amendment 4. MPP Tabuns.

Mr. Peter Tabuns: I move that section 4 of the bill be amended by striking out subsections 28.8(7) and (8) of the Ontario Energy Board Act, 1998.

This amendment reaffirms that procedural fairness shall apply to a generic hearing.

Currently, Bill 165 says, “Procedural fairness does not apply.” It’s a mystery to me why the government does not actually protect procedural fairness in this section. In fact, the most relevant section, subsection (7), says that the decisions—the issuance or approval of a directive do not include any requirement to provide notice, reasons or an opportunity to make submissions.

It’s pretty fundamental, in democratic society, that substantial decisions affecting people generate notices so people can respond to them—and on the part of government, receive those notices and take them into account when they’re making a decision.

This is quite a strange departure from democratic norms, and I would urge the committee to adopt this amendment.

The Chair (Mr. Aris Babikian): Any further debate or comments? MPP Shaw.

Ms. Sandy Shaw: I, for the life of me, cannot—I guess I can understand that this is a government that would oppose procedural fairness. We have months and years of evidence that they will bypass democratic processes to get their work done in the favour not necessarily of constituents or, really, Ontarians, as we see in this case.

I can only just remind you of when we talked about Ontario Place—procedural fairness cannot in any way be described to what has happened at Ontario Place. It’s really troubling that the government, in that case and in other cases, provided themselves indemnity. In the case of Ontario Place, they provided themselves indemnity against misfeasance and bad faith.

I guess, really, in some way, you’re just sharing the wealth of large people with power—conglomerates with power, and I speak of this government—not having to respect what I would say is basic rule of law, basic fairness for the people, particularly when what we’re talking about here is going to cost individuals. You are going to ensure that people’s gas bills go up, and you are not going to ensure that they have a fair, fighting chance to defend against this.

I wish I could say I’ll be shocked to see the government vote against this amendment, but I have been shocked over and over again by the ways that this government conducts its business on behalf of large, rich corporate speculators—like the greenbelt gravy train, if you will, which showed that there was absolutely nothing in that process that was transparent or fair. In fact, it has been identified as giving preferential treatment to those very wealthy speculators.

I hope, maybe, that on the road to Damascus, this government has seen the light, but it may not be the case. We’ll see with this recorded vote that’s to come, Chair.

The Chair (Mr. Aris Babikian): Any further debate? Comments? Seeing none, I’m going to put the question.

Ms. Sandy Shaw: Recorded vote.

Ayes

McCrimmon, Shaw, Tabuns.

Nays

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

The Chair (Mr. Aris Babikian): The amendment is lost.

Shall section 4 carry?

Mr. Peter Tabuns: Recorded vote.

Ayes

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

Nays

McCrimmon, Shaw, Tabuns.

The Chair (Mr. Aris Babikian): Section 4 is carried.

We'll move to section 5. We have amendment 5. It is from the official opposition. MPP Tabuns.

Mr. Peter Tabuns: I move that subsection 5(1) of the bill be amended by striking out subsections 36.0.1(9) and (10) of the Ontario Energy Board Act, 1998.

0920

Again, we're in a situation where procedural fairness is being excluded. We think that procedural fairness should apply to any proceeding to determine a revenue horizon to justify natural gas expansion. Currently, the bill says, "Procedural fairness does not apply," which is, again, pretty shocking in terms of the history of democracy in this province. The ability to receive notice to submit comments to be heard are all pretty standard in democracies, and to exclude that in this bill is just beyond me.

In any event, I would ask for a recorded vote, and maybe my colleague has further comments.

The Chair (Mr. Aris Babikian): MPP Shaw.

Ms. Sandy Shaw: I think, given that this government has very directly opposed procedural fairness with this bill, it's important to understand what we're talking about here. Procedural fairness requires that a person, in this case, your ratepayers, be given a fair hearing before a decision adversely affecting the person's rights and interest is made. More specifically, it requires that a decision-maker give the person reasonable notice that an adverse decision may be made. Doesn't that just seem like the fair thing to do? When Enbridge has all the power, when the government has all the power, what would it hurt you to give people a fair opportunity to be heard in this province? It goes against the basic principles of fairness, clearly, and basic principles of a democratic government.

This government is quickly earning a reputation for being heavy-handed and conducting all of their business to the benefit of their insiders behind closed doors, and we have seen what this has cost us in the province. You talk about building 1.5 million homes. We have spent the better part of a year unravelling the mess you created with your greenbelt scandal.

Had you respected the concept of procedural fairness in that instance, we would be way ahead on building the homes that people need. Instead, this government's housing starts are dropping. They're down 25% year over year, and I would say that that is directly from the arrogance of a government that doesn't think that they need to consult with people, that they know best, but no government has all the answers. Clearly, you don't, because we've been in reverse for so long. It really is so demoralizing to see a government with a full majority taking that full majority to create what I would suggest is bullying tactics and happily voting in favour of them.

I plead to the government: Show that you actually have some residual respect for the notion of procedural fairness and democracy and vote in favour of this amendment.

The Chair (Mr. Aris Babikian): Thank you.

Ms. Sandy Shaw: And a recorded vote, please, Chair.

The Chair (Mr. Aris Babikian): Recorded vote. Any further comments or debate? Okay. I see none. I'm going to put the question.

Ayes

McCrimmon, Shaw, Tabuns.

Nays

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

The Chair (Mr. Aris Babikian): The motion is lost.

We'll move to amendment 5.1, and this is coming from the independent member.

MPP McCrimmon, please move your motion.

Mrs. Karen McCrimmon: I move that subsection 5(1) of the bill be amended by striking out subsection 36.0.1(11) of the Ontario Energy Board Act, 1998 and substituting the following:

"Conflict

"(11) In the event of a conflict between a regulation made under this section and the Statutory Powers Procedure Act, the rules made by the board under section 25.1 of that act or an order of the board or other instrument or document made or issued under this act, the following rules apply:

"1. The regulation prevails to the extent of the conflict only if the regulation does not result in natural gas distribution rates being charged to any residential consumers that are higher than the rates charged on the day the Keeping Energy Costs Down Act, 2024 received royal assent.

"2. Otherwise, the Statutory Powers Procedure Act, the rules, order or other instrument or document prevails to the extent of the conflict."

The Chair (Mr. Aris Babikian): Any debate? Any comments? MPP McCrimmon.

Mrs. Karen McCrimmon: I'd just like to say, this is trying to respect the rights of consumers. If people wanted to use the powers that are in this act to reduce gas prices, okay, we can live with that. But if you're going to use these powers to restrict people's voice when gas prices are going to go up, we don't think that's fair. That's all that this does. You can use your shortcuts if you want, but only if you're going to bring gas prices down.

The Chair (Mr. Aris Babikian): Any further debate? Any comments?

Mr. John Yakabuski: Not from the government.

The Chair (Mr. Aris Babikian): Okay.

Mrs. Karen McCrimmon: I ask for a recorded vote, please.

Ayes

McCrimmon, Shaw, Tabuns.

Nays

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

The Chair (Mr. Aris Babikian): The motion is lost.

We'll move to motion 6 from the official opposition.
MPP Tabuns.

Mr. Peter Tabuns: I move that subsection 5(1) of the bill be amended by adding the following subsection to section 36.0.1 of the Ontario Energy Board Act, 1998:

“Same

“(14) Despite subsection (13), the Lieutenant Governor in Council shall not make regulations under that subsection that are likely to have the effect of increasing gas distribution rates charged by Enbridge Gas Inc. to existing residential consumers to a rate higher than would have been set by the board based on the revenue horizon established in its decision and order dated December 21, 2023.”

May I speak to the amendment?

The Chair (Mr. Aris Babikian): Any further debate?

Please go ahead, MPP Tabuns.

Mr. Peter Tabuns: This amendment says the government can't mandate a revenue horizon that results in a gas rate increase above what would have been set if the OEB decision had been upheld. I think the situation here is that if the government, in fact, rejects this amendment, then they're voting for higher gas rates. For the roughly four million customers of Enbridge Gas, defeat of this amendment means that when they get their bills—maybe February, maybe March—they will be higher than they would have been. I don't think that's fair to gas consumers. I don't think it's fair to the economy of the province.

The Chair (Mr. Aris Babikian): Any further debate or comments? MPP Shaw.

Ms. Sandy Shaw: Just to be explicit about this, the government, in this case, continues to vote down these amendments that we are putting forward to protect consumers. It's really not rocket science to sort out that the government here is siding with Enbridge and with shareholders. We have put these amendments forward to help people pay their gas bills. This is what these amendments are for. I don't understand. Perhaps the members aren't clear on what the intention of our amendments are, so I'm going to say very clearly that we're doing what I think the government should do, which is to fight to protect consumers, not to fight to protect shareholders.

It is so telling but so ongoingly disappointing to see this government vote against these amendments—without any debate, I would add. If you are going to vote against amendments, you might want to share with the people of the province of Ontario, who elected you, who pay you, and who you are working for—you might want to share your thoughts on this. Your silence in this regard speaks volumes and continues to tell me that you have clearly been given the marching orders to side with Enbridge and shareholders and not consumers in the province of Ontario.

With that, I again would remind that we are looking for a recorded vote.

Ayes

McCrimmon, Shaw, Tabuns.

Nays

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

The Chair (Mr. Aris Babikian): The motion is lost.

We'll move to amendment 7. MPP Tabuns.

0930

Mr. Peter Tabuns: I move that subsection 5(1) of the bill be amended by adding the following subsection to section 36.0.1 of the Ontario Energy Board Act, 1998:

“Same

“(15) Despite subsection (13), the Lieutenant Governor in Council shall not make regulations under that subsection that are inconsistent with the objective of protecting the interests of consumers with respect to prices and the reliability and quality of gas service, as set out in paragraph 2 of section 2.”

When the time comes, I would like to speak to this.

The Chair (Mr. Aris Babikian): Any further debate? MPP Tabuns.

Mr. Peter Tabuns: It's a fairly straightforward amendment. It means the government can't mandate a revenue horizon that harms consumer interest. For those who wonder what a revenue horizon is, it's the time that Enbridge is allowed to amortize the cost of a particular piece of infrastructure. Long amortization means a very long gamble for consumers, and elimination of the horizon means that it's the shareholders and others who take on the risk; not the consumers who, I would say, most people in this room would argue they try to protect.

I would say to the government that voting against this amendment harms the interests of the roughly four million customers of Enbridge Gas in this province, and I'd ask them to support the motion.

The Chair (Mr. Aris Babikian): Any further debate? MPP Shaw.

Ms. Sandy Shaw: I, too, would ask the government to support this motion, or to make clear their objection to it. Why are they voting against these motions? Why are you voting against a motion that has the objective of protecting the interests of consumers? It makes absolutely no sense.

As we've said, if you cannot protect consumers from a revenue horizon, it will fall on them; they will take all of the risk. And you will actually vote in favour of harming consumer interest. It was clear from the outset with this bill, when this government was ready to overrule the independent regulator in favour of Enbridge, whose side you were on. But voting against these amendments makes explicit that you are voting against the interests of consumers and you are voting in favour of harming consumer interest.

We had two days of testimony that made clear the impact that this would have on people now and in the future. They made clear that Enbridge doesn't want to pay for their infrastructure. Enbridge shareholders don't want

to pay for the infrastructure. Developers don't want to pay for the infrastructure. So Enbridge used its powerful lobby and government used their powerful majority to make consumers pay.

You've made your intention clear by moving this bill, and you're making your intention clear every time you vote against these amendments.

I would ask the government to speak up and tell us why you are voting against these amendments that have the objective of protecting the interests of consumers and your constituents.

Thank you, Chair. Recorded vote.

Ayes

McCrimmon, Shaw, Tabuns.

Nays

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

The Chair (Mr. Aris Babikian): The amendment is lost.

I see there is a notice from the official opposition. Before I put the question to section 5, is there any debate on the notice? MPP Tabuns.

Mr. Peter Tabuns: This section, if passed, effectively allows the cabinet or the minister, politicians, to overrule the OEB and to mandate a revenue horizon that forces existing gas consumers to pay extra—somewhere between \$300 and \$600—to subsidize natural gas expansion. We should not be subsidizing natural gas expansion. If Enbridge wants to do it, let it gamble its money; not the money of consumers.

Again, I would urge the government to think of the presentations made during our hearings. The Industrial Gas Users Association, which represents some of the biggest industries in Ontario, said that there were real risks in politicizing the OEB process, which is what is happening. Effectively, we are saying that there is no longer an energy regulator in Ontario. That is not a good thing to say. That's a very negative thing to say for businesses generally and for those who are looking at investing in Ontario.

I would say to you, Chair, that it's to the advantage of this province that section 5 be scrubbed. And I ask that there be a recorded vote.

The Chair (Mr. Aris Babikian): Any further debate on the notice on section 5? I see none, so I'm going to put the question—a recorded vote.

Ayes

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

Nays

McCrimmon, Shaw, Tabuns.

The Chair (Mr. Aris Babikian): Section 5 is carried.

We'll move to sections 6 and 7. There being no amendments on sections 6 and 7, does the committee agree to bundle these sections together? Agreed? Agreed. So I'm going to put the question on sections 6 and 7 together.

All in favour of carrying sections 6 and 7, please raise your hand. All opposed? Sections 6 and 7 carry.

We'll move to section 8. There is amendment number 8 from the official opposition. MPP Tabuns.

Mr. Peter Tabuns: I move that subsection 8(1) of the bill be amended by adding the following subsection to section 96.2 of the Ontario Energy Board Act, 1998:

“Same

“(1.1) The Lieutenant Governor in Council shall not approve a directive for the purposes of subsection (1) if it is likely to have the effect of increasing gas distribution rates charged to existing residential consumers to a rate higher than would have been set by the board if no directive was made.”

The Chair (Mr. Aris Babikian): Further debate? MPP Tabuns.

Mr. Peter Tabuns: Again, what we're saying here is, the government can't direct the OEB to approve a new gas pipeline if this results in higher gas rates. If you vote against this amendment, then you are voting for higher gas rates. As you may be aware, historically, the OEB has said to Enbridge, “You can't build a pipeline unless it's economically viable. You can't have a pipeline that's subsidized by all the other consumers.” This codifies that. It says, “In fact, no, you can't build a pipeline that's subsidized by other consumers.”

I think that for those who are arguing that they want to protect consumers in this province, this amendment is straightforward and something that their constituents would understand and support.

With that, I would ask for a recorded vote.

The Chair (Mr. Aris Babikian): A recorded vote has been asked for.

Any further debate before I put the question? MPP Shaw.

Ms. Sandy Shaw: MPP Tabuns made it very clear. It is common sense and it's what consumers would expect. They don't expect, while they're busy with their lives, paying their mortgages, taking their kids to hockey, working their part-time jobs to make ends meet—they expect that while they are distracted with their complicated and busy lives, the government is working to protect their interests. They don't expect that behind closed doors, with a big Enbridge lobby, they are being asked to pay for a pipeline.

0940

I can just imagine if you asked your constituents, “Hey, do you think it's fair that we're asking you to pay for a pipeline so that Enbridge can make more profit than you?” I would say that 100% of my constituents and your constituents would say, “No, I don't really feel like paying for Enbridge's pipeline.”

Enbridge is a hugely profitable international corporation. They made \$47 billion last year. Their CEO makes \$100 million, I think—it's the better part of \$100 million

a year in compensation. How on God's green earth is it fair for this government to ask consumers to pay for Enbridge's pipeline?

The Chair (Mr. Aris Babikian): Any further debate?

Mr. Peter Tabuns: Recorded vote.

The Chair (Mr. Aris Babikian): I see none. A recorded vote—I'm going to put the question.

Ayes

McCrimmon, Shaw, Tabuns.

Nays

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

The Chair (Mr. Aris Babikian): The motion is lost.

We'll move to amendment 9, from the official opposition. MPP Tabuns.

Mr. Peter Tabuns: I move that subsection 8(1) of the bill be amended by adding the following subsection to section 96.2 of the Ontario Energy Board Act, 1998:

“Same

“(1.2) The Lieutenant Governor in Council shall not approve a directive for the purposes of subsection (1) that is inconsistent with the objective of protecting the interests of consumers with respect to prices and the reliability and quality of gas service, as set out in paragraph 2 of section 2.”

I would like to speak to this one in debate.

The Chair (Mr. Aris Babikian): Any further debate? MPP Tabuns.

Mr. Peter Tabuns: Again, this is an amendment that would block the government from directing the OEB to approve a new gas pipeline if this harms consumer interests. If the government opposes the amendment, then they're harming consumer interests.

You may remember the Industrial Gas Users Association was concerned about this and felt that the changes that were contemplated would have a negative impact on industrial gas users, forcing them to subsidize competitors who were actually located at the end of gas lines that didn't make economic sense, unless they were subsidized by other industry in this province.

I have to say to you, as well, that this continues a process of undermining the legislated approach of having tribunals make these decisions rather than lobbyists. This government may be happy with the set-up now, but I've been here when the Liberals have been in power, and we've watched them play amazing games with the OEB. To reduce the OEB back to where it was when the Liberals were in power makes no sense to me.

The Chair (Mr. Aris Babikian): Any further debate? MPP Shaw.

Ms. Sandy Shaw: I would just like to emphasize that in this amendment, the language is “inconsistent with the objective of protecting the interests of consumers with respect to prices and the reliability”—it's in the amendment, language that we think that the government should

be introducing into this bill. Why is it falling upon the official opposition to say that a reasonable government that genuinely had the interests of their constituents at heart would not oppose language that has in it “the objective of protecting the interests of consumers”? You're going to vote against that? You are going to vote against an amendment that says “inconsistent with the objective of protecting the interests of consumers”? You're opposed to that?

We'll see, Chair, when we move to our recorded vote, if they are opposed to protecting the interests of consumers.

The Chair (Mr. Aris Babikian): I see no further debate. Any further debate? I'm going to put the question.

Ayes

McCrimmon, Shaw, Tabuns.

Nays

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

The Chair (Mr. Aris Babikian): The motion is lost.

There is a notice on section 8. Any debate? MPP Tabuns.

Mr. Peter Tabuns: As I said—and this is something that was raised by the Industrial Gas Users Association; it was raised by the Society of United Professionals, who were represented here by a person who had been on staff at the Ontario Energy Board; and it was also noted by the Toronto Atmospheric Fund. Again, effectively, this section eliminates the OEB as a real regulator in Ontario. Henceforward, decisions about rates and other matters relating to energy will be decided by the power of lobbyists acting for different energy companies. We saw that with the Liberals. We saw how they sidelined the OEB on substantial energy decisions. The Conservatives howled about it. We howled about it. And now what's coming forward is a section in this bill that says to anyone in the outside world that regulatory processes in Ontario are all now for show because all the real decisions are going to be made by the minister. I think that's a bad message to send. I think people around this table should not want to send it; the government should not want to do that.

I ask the government to oppose section 8 and vote it down.

I'd like a recorded vote.

The Chair (Mr. Aris Babikian): Any further debate? MPP Shaw.

Ms. Sandy Shaw: When I first was elected, this government made hay over getting to the bottom of the hydro mess. I was on a select committee that, for the better part of four months, subpoenaed witnesses—we had the former Premier herself; we had the top bureaucrats—to understand the shenanigans that happened when the Liberals meddled in the electricity decisions in the province to their benefit. We understand, and we know, that that is primarily what brought down that government.

People understood that they were being played. With this bill, now that we look at the gas system, the government is essentially doing the same thing.

I will remind the government that the legacy of Kathleen Wynne's meddling in the electricity pricing and decisions in government has resulted in an ongoing subsidy. Your government pays over \$7 billion a year to continue to subsidize a primarily for-profit electricity system—\$7 billion. That's what this government has to pay. That's a lot of money. That's a lot of money that could go to paying for the hospitals that we need; that could be paying for an actual autism program for young families; that could be making sure that people in long-term care are getting the care they deserve. So \$7 billion a year—that's Kathleen Wynne's gift to you, that you continue to have to pay. Their politicization was costly and continues to be costly. And now you want to do the same thing with the natural gas system?

Really, I don't understand how powerful Enbridge must be for you to be turtling and knuckling under on their behalf instead of on behalf of the consumers. This is forcing consumers to pay higher costs for energy that are based on meddling, self-serving politics and private interests, not expert advice. We had two days of testimony from experts in here. Their evidence and their analysis has not done anything? The government has not moved one amendment to this bill. You're satisfied with this bill?

I know that the Premier got up and said at one point that the OEB shouldn't be making energy policy and the people who did that would be dealt with—again, just from the Premier, what sounded like an ominous threat.

My question to you is, if the OEB is making recommendations—I understand that it is the government's role to make policy, but it is quite clear that you are allowing Enbridge to write policy in this province, and that's shameful.

The Chair (Mr. Aris Babikian): MPP McCrimmon.
0950

Mrs. Karen McCrimmon: Just a word of warning: The government of Alberta had a very similar kind of bill and took over controlling energy, and right now, they have the highest prices of energy in the country. And they have the highest potential for reasonable energy prices because the wind always blows, the sun always shines, and the geothermal structures are solid in Alberta. This is just a caution. We've seen where this kind of a bill, where you push aside the regulator, can lead.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none—

Ms. Sandy Shaw: Recorded vote.

Ayes

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

Nays

McCrimmon, Shaw, Tabuns.

The Chair (Mr. Aris Babikian): Section 8 is carried.

Since there is no amendment to sections 9, 10 and 11, I would suggest to bundle these three sections together. Any agreement? Agreed? Agreed. I'm going to put the question on sections 9, 10 and 11 bundled together.

All in favour, please raise your hand. All in opposition, please raise your hand. Sections 9, 10 and 11 are carried.

We'll move to section 12, the short title of the bill. I see there is an amendment on the short title—amendment 10 from the opposition.

MPP Tabuns, please move your motion.

Mr. Peter Tabuns: I move that section 12 of the bill be struck out and the following substituted:

“Short title

“12. The short title of this act is the Making Enbridge Customers Pay More Act, 2024.”

I would like to speak to it.

The Chair (Mr. Aris Babikian): Before I open the floor to any debate, I have a ruling.

Committee members, I rule this amendment out of order. As Bosc and Gagnon state on page 772 of the third edition of House of Commons Procedure and Practice, an amendment is out of order if it is tendered in the spirit of mockery.

Interjections.

The Chair (Mr. Aris Babikian): Please, let's have decorum.

Ms. Sandy Shaw: I would like to move unanimous consent because this amendment is really doing what it's—it's not about mockery. It's saying what this bill is about, which is forcing existing gas consumers to pay more—

Interjection.

The Chair (Mr. Aris Babikian) MPP Ghamari, please.

Ms. Goldie Ghamari: I'm sorry. I can't help it.

The Chair (Mr. Aris Babikian) No, you have to follow decorum of the meeting.

MPP Shaw, continue.

Ms. Sandy Shaw: I argue that it's not in a spirit of mockery. In fact, it's based in fact—

Mr. John Yakabuski: The Chair has ruled—

Ms. Sandy Shaw: I'm moving unanimous—

The Chair (Mr. Aris Babikian) We have already ruled on this issue.

Ms. Sandy Shaw: So I'm moving—

Mr. John Yakabuski: The Chair has ruled.

The Chair (Mr. Aris Babikian) She's asking for unanimous consent.

Interjections: No.

The Chair (Mr. Aris Babikian) There is none. In that case, there is no unanimous consent. There is no debate.

We'll move now to section 12. Is there any debate on section 12?

Mr. Peter Tabuns: Recorded vote.

Ayes

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

Nays

McCrimmon, Shaw, Tabuns.

The Chair (Mr. Aris Babikian) Section 12 is carried.

Shall the preamble of the bill carry? There is a notice from the NDP. Any debate?

Mr. Peter Tabuns: If I may, the preamble does not accurately represent what's happening with this bill. The preamble does not warn people that passage of this bill will result in higher charges for gas customers and that they will subsidize the shareholders of Enbridge Gas.

I'm sorry that the previous resolution was not passed. Former Conservative leader Tim Hudak was actually well known in this building for retitling Liberal bills to make them clearer—and that was the attempt with section 12 and the preamble. I think that what we have before us is not an accurate representation, and, thus, the preamble should be rejected.

The Chair (Mr. Aris Babikian): MPP Shaw.

Ms. Sandy Shaw: I, too, support the motion that this preamble in fact in no way reflects the impact that this bill will have on the consumers in the province.

Let's be clear: This bill is about forcing existing gas payers to pay costs that the energy board would otherwise disallow. We know that will include—for a typical household consumer, up to \$600 will be added to their bill. It doesn't say in the preamble—it should—that this bill is about making consumers pay more so Enbridge can make more profits. That's what should be written in the preamble.

I would just say, again, a bill that's forcing consumers to pay higher costs that the regulator would have otherwise disallowed is something that I would not want to be on the side of. I wouldn't want to be on the government side, voting like a puppet in favour of Enbridge whenever I'm told to do so. Really, this bill is about making life less affordable—absolutely, it will. The fact that you, as politicians, feel comfortable in overruling an independent regulator in order to force consumers to pay higher profits to Enbridge, which is a huge gas monopoly, is really shocking.

This preamble is absolutely false. It shows disrespect for Ontario consumers and, really, it insults their intelligence. It is your job to protect individuals, not to protect corporate interests. That's what I think your job should be, but clearly you are signalling that your job is to protect the corporate interests of a multinational, international monopoly.

The individuals who are struggling to keep their homes heated will have no choice. You're saddling them with more debt and more costs, and you're essentially ensuring that there will be a big payday for Enbridge and their shareholders. That, in my opinion, is not what a government should be about, but clearly that's what you think this government is supposed to do.

I will vote against the preamble to the bill. It's completely misleading and false.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none—

Ms. Sandy Shaw: Recorded vote.

The Chair (Mr. Aris Babikian): I'm going to put the question. Recorded vote requested.

Ayes

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

Nays

McCrimmon, Shaw, Tabuns.

The Chair (Mr. Aris Babikian): The preamble carries.

We'll move to the title. Shall the title of the bill carry? I'm going to put the question. All in favour—

Interjection.

The Chair (Mr. Aris Babikian): Recorded vote requested.

Ayes

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

Nays

McCrimmon, Shaw, Tabuns.

The Chair (Mr. Aris Babikian): The title is carried. Shall Bill 165 carry—

Interjections.

The Chair (Mr. Aris Babikian): Okay. Is there debate on the bill? MPP Shaw.

Ms. Sandy Shaw: Now that we've come, essentially, to the end of this clause-by-clause hearing, I'd like it to be noted that this government moved not one single amendment—not one. In fact, the government side did not utter one word in defence of this bill. It would appear to me that they were sent here to do, essentially, as they were told, to support a bill that favours Enbridge against consumers.

1000

It is your job; you were elected to speak up. Why have you sat silent when we have proposed—every amendment that we put forward and the independent put forward was about protecting consumers so that they didn't have to pay more. I've read out the language of every single amendment that we put forward, and it was to protect consumers so they do not bear the risks of higher costs. It was all in here. You didn't speak in favour of those—the objective of protecting the interests of consumers. All of our amendments were put forward to protect consumers. The government voted down every single one of them. In essence, you voted to raise the gas bills of your constituents and protect the profits of Enbridge, and you didn't utter one word in your defence. I find that just shameful. You're elected to be responsible, to show some courage of your convictions and to speak up. We heard nothing, literally nothing, not one word, from the government side.

We had a presentation at committee which I thought was a very important presentation, and that was from the Society of United Professionals. Just so we're clear, these are the engineers, the scientists, the supervisors who work in this industry. Of the many things that they talked about, including the dubious need for this legislation—and by “dubious need,” they mean that quite clearly this was here to protect Enbridge. One of the things that they were concerned about is the idea of a regulatory regime that has merit—a regulatory regime that, as my colleague has said, is not complete; it's just simply a puppet show—that a regulatory regime is important to protect people who are consumers of gas. But more than that, I thought that it was very telling that she talked about Standard and Poor's Global, who were themselves very concerned that there was a loss of regulatory independence or instances of political interference in the framework. Standard and Poor's, who rate these industries, see that your interference—I see your interference—is on behalf of Enbridge over the interests of consumers and their pocketbooks. Standard and Poor's see your interference as an instability that has been introduced into the gas market system. Their ability to price equities and futures is based on a predictable, stable regulatory framework. What you've done here is overturned that stability and overturned that predictability and introduced, I would argue, a Wild West or chaos in what should be a very robustly regulated industry.

Clearly, you've shown you don't give a hoot about consumers who have to pay their gas bill. Your actions here and your silence have shown that.

Maybe we could appeal to the interests of your capitalist side. You have also created instability in the market, and my guess is that the impact of that will be felt by consumers; my guess is, the impact in terms of investment in this province will be damaged. The Premier has had to make amends for meddling in the market before, and my guess is that the chilling effect that political interference in regulation has had will tell over time.

I will finally just end by saying that it is a complete abdication of responsibility on the part of this government—and if we weren't made clear who this government listens to and who this government works for, we have had it unfolded directly in front of us with Bill 165.

With that, Chair, I would like to have a recorded vote on this, please.

The Chair (Mr. Aris Babikian): Recorded vote requested.

Any further debate? I see none, so I'm going to put the question. Shall Bill 165 carry?

Ayes

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

Nays

McCrimmon, Shaw, Tabuns.

The Chair (Mr. Aris Babikian): Bill 165 is carried. Shall I report the bill to the House? All those in favour of reporting the bill to the House—

Ms. Sandy Shaw: Recorded vote.

Ayes

Byers, Dowie, Ghamari, Holland, Jordan, Yakabuski.

Nays

McCrimmon, Shaw, Tabuns.

The Chair (Mr. Aris Babikian): According to the vote, I will report the bill to the House. It's carried.

That concludes our clause-by-clause examination of Bill 165. The committee now will adjourn until Monday, April 22, 2024. Thank you very much, all of you.

The committee adjourned at 1006.

STANDING COMMITTEE ON THE INTERIOR

Chair / Président

Mr. Aris Babikian (Scarborough–Agincourt PC)

Vice-Chair / Vice-Président

Mr. Guy Bourgouin (Mushkegowuk–James Bay / Mushkegowuk–Baie James ND)

Mr. Aris Babikian (Scarborough–Agincourt PC)

Mr. Guy Bourgouin (Mushkegowuk–James Bay / Mushkegowuk–Baie James ND)

Mr. Rudy Cuzzetto (Mississauga–Lakeshore PC)

Mr. Andrew Dowie (Windsor–Tecumseh PC)

M^{me} Dawn Gallagher Murphy (Newmarket–Aurora PC)

Mr. Kevin Holland (Thunder Bay–Atikokan PC)

Mr. John Jordan (Lanark–Frontenac–Kingston PC)

Mrs. Karen McCrimmon (Kanata–Carleton L)

Ms. Sandy Shaw (Hamilton West–Ancaster–Dundas / Hamilton-Ouest–Ancaster–Dundas ND)

Mr. John Yakabuski (Renfrew–Nipissing–Pembroke PC)

Substitutions / Membres remplaçants

Mr. Rick Byers (Bruce–Grey–Owen Sound PC)

Ms. Goldie Ghamari (Carleton PC)

Mr. Peter Tabuns (Toronto–Danforth ND)

Clerk / Greffière

Ms. Thushitha Kobikrishna

Staff / Personnel

Ms. Tamara Kuzyk, legislative counsel