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Lundi 22 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

Chair: Grant Crack
Clerk: Sylwia Przezdziecki

Président : Grant Crack
Greffière : Sylwia Przezdziecki

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON GENERAL GOVERNMENT

COMITÉ PERMANENT DES AFFAIRES GOUVERNEMENTALES

Monday 22 February 2016

Lundi 22 février 2016

The committee met at 1403 in committee room 2.

The Chair (Mr. Grant Crack): I'd like to call the Standing Committee on General Government to order. I'd like to welcome all members of the committee, and those who are replacing as well some of the members who are probably occupied down at the ROMA/Good Roads conference at the Royal York this afternoon. I'd also like to welcome members of the public who will be presenting today.

SUBCOMMITTEE REPORT

The Chair (Mr. Grant Crack): Today, we're here to deal with Bill 135, which is An Act to amend several statutes and revoke several regulations in relation to energy conservation and long-term energy planning. I would remind members of the committee that we did hold a teleconference call as members of the subcommittee dealing with Bill 135. On January 18, we did have that discussion, and I would ask Mr. Tabuns, perhaps, to read the subcommittee report into the record.

Mr. Peter Tabuns: Sure. I'm happy to move it. Your subcommittee on committee business met on Monday, January 18, 2016, to consider the method of proceeding on Bill 135, An Act to amend several statutes and revoke several regulations in relation to energy conservation and long-term energy planning, and recommends the following:

(1) That the committee hold public hearings on Bill 135 in Toronto at Queen's Park on Monday, February 22 and Wednesday, February 24, 2016, during its regular meeting times.

(2) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the committee's business with respect to Bill 135 once in the Toronto Star and in L'Express newspapers during the week of January 25, 2016.

(3) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the committee's business with respect to Bill 135 in English and French on the Ontario parliamentary channel, on the Legislative Assembly website and with the CNW newswire service.

(4) That interested people who wish to be considered to make an oral presentation on Bill 135 should contact the Clerk of the Committee by 4 p.m. on Tuesday, February 16, 2016.

(5) That, following the deadline for receipt of requests to appear on Bill 135, the Clerk of the Committee provide the subcommittee members, by email, with a list of all the potential witnesses who have requested to appear before the committee.

(6) That, if required, each of the subcommittee members provide the Clerk of the Committee with a prioritized list of the witnesses they would like to hear from by 5 p.m. on Wednesday, February 17, 2016. These witnesses must be selected from the original list distributed by the committee Clerk.

(7) That groups and individuals be offered 10 minutes for their presentations, followed by up to nine minutes for questions by committee members—three minutes per caucus.

(8) That the committee request from the Ministry of Energy technical and background information on Bill 135, and that this information be provided to the committee before the start of public hearings on Monday, February 22, 2016.

(9) That the deadline for receipt of written submissions on Bill 135 be 5 p.m. on Wednesday, February 24, 2016.

(10) That amendments to Bill 135 be filed with the Clerk of the Committee by 12 noon on Thursday, February 25, 2016.

(11) That the committee meet on Monday, February 29 and Wednesday, March 2, 2016, during its regular meeting times for clause-by-clause consideration of Bill 135.

(12) That the Clerk of the Committee, in consultation with the Chair, be authorized to commence making any preliminary arrangements necessary to facilitate the committee's proceedings prior to the adoption of this report.

The Chair (Mr. Grant Crack): Thank you, and well done, Mr. Tabuns. Appreciate that.

Mr. Tabuns has read into the record the discussion that ensued with regard to how to proceed with meeting on Bill 135. Is there any further discussion on the subcommittee report before I call for adoption? There being none, those in favour of adopting the report on the subcommittee? There are none opposed, so the motion is

carried. The subcommittee report of January 18, 2016, is carried.

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.

ONTARIO SOCIETY OF PROFESSIONAL ENGINEERS

The Chair (Mr. Grant Crack): We shall now move to our delegations this afternoon. As per the subcommittee report, each delegation will be entitled to 10 minutes to present, followed by nine minutes of questioning from each of the three parties.

At this time, I would like to call, from the Ontario Society of Professional Engineers, Sandro Perruzza—he's the chief executive officer—and Rhonda Wright Hilbig, a member of the Energy Task Force. We welcome you both.

Mr. Sandro Perruzza: Thank you.

The Chair (Mr. Grant Crack): You have 10 minutes.

Mr. Sandro Perruzza: I'd like to thank the members of the Standing Committee on General Government for allowing us the opportunity to comment on Bill 135. My name is Sandro Perruzza, and I am the CEO of the Ontario Society of Professional Engineers, or OSPE, as it's often referred to.

OSPE is the voice of the engineering profession in Ontario. We represent the entire engineering community, including professional engineers, engineering professionals, graduates and students who work in several of the most strategic and vital sectors of Ontario's economy. OSPE elevates the profile of the profession by advocating with government, the public and media.

Engineers have the innovative solutions to the problems facing us all. Through these inventions, designs, new products and services, engineers create wealth and will drive the economic engine of the new knowledge economy in Ontario.

OSPE is pleased to provide our analysis on Bill 135, An Act to amend several statutes and revoke several regulations in relation to energy conservation and long-term energy planning, which will impact the economic viability of families living here in Ontario and working in our institutions and will affect the stability and resiliency of Ontario's energy system.

To that end, I've invited one of our expert members of OSPE's Energy Task Force here to present our views. I'm pleased to introduce Ms. Rhonda Wright Hilbig.

Ms. Rhonda Wright Hilbig: Thank you, Sandro. Thanks for the opportunity to come here and speak to you today. I'm a professional engineer registered here in the province of Ontario with about 29 years of experience in the electricity sector. I've done a number of stints in nuclear generation and fossil generation back in the day and spent 10 years in energy management with Ontario Hydro. In my last 15 years, I have been in power system operation with the Independent Electricity System Operator, prior to my retirement last January. I'm now a director with a company called Sygration, which is a data services solution provider to the Ontario marketplace.

I'd like to start out by talking a bit about our analysis of Bill 135. This bill tackles a number of areas in the Ontario electricity sector. There are a number of things which OSPE is quite supportive of. For example, any effort to facilitate energy management plans at government agencies and including the addition of water conservation in the definition of energy management I think are very welcomed by Ontario's professional engineers.

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Another aspect, though, is that the bill also contemplates providing directions to the Independent Electricity System Operator related to construction enhancement and potential reinforcement of the transmission system. As with all infrastructure projects, OSPE encourages the use of qualifications-based selection in these types of procurements and cautions against the use of strictly low-cost bids. We would like to ensure that the committee knows of our preference and, I guess, being a long-standing proponent of this sort of procurement.

The last part of the bill that we'd really like to talk about is that if the bill is enacted as written, the Minister of Energy will make final decisions on energy planning in the province rather than the technical experts who are well trained in these matters at the Independent Electricity System Operator. The experts that we speak about—a number of them are engineers, but not exclusively. They have a long history in the sector. They are well trained and they have the technical background to tackle these complicated planning matters, as well as having the resources, both computing facilities and a diversity of experience, in order to design an effective integrated power system plan.

We caution against removing the requirement for an integrated power system plan from the sector, as this bill is proposing to do. We believe that the IESO should remain as the developer of the integrated power system plan. That plan incorporates a number of impactful areas on this sector. Regional planning, conservation and demand management are all things that are very important to Ontario's economy. We believe that the minister should remain as the approver of the IESO's plan as it is submitted to the Ontario Energy Board, and that the plan should be subject to the board's hearing processes.

With that, I'd like to thank you for your consideration of OSPE's position. We'd be happy to participate in any

future discussion on both the design and the implementation of Bill 135, and we'd be happy to take any specific questions that you might have for us here today.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate that. We'll start the questioning component with the official opposition. Mr. Yakabuski.

Mr. John Yakabuski: Thank you for joining us today. You've raised something that has been raised with us before with regard to the view of some that the minister has taken too much power in this bill and is taking it away from the professionals who work in the sector.

Have you got anything in mind for proposed amendments to that section that we can work with? As you heard from Mr. Tabuns, we are going to be having clause-by-clause deliberation beginning next week on February 29. Has the society considered proposing some amendments to the bill that would help us with something that would satisfy your concern from a professional organization point of view, making sure that the professional component is not removed from the decision-making process?

Ms. Rhonda Wright Hilbig: Certainly from the energy task force committee's perspective, I think it really boils down to the removal of the current requirements. I don't think we've looked at any specific wording, but we'd be happy to collaborate on that sort of work in the future.

Do you have anything to add?

Mr. Sandro Perruzza: Yes. We can certainly have the committee meet in the next week and submit something in writing to all members of this committee with our proposed amendment.

Mr. John Yakabuski: So amendments have to be in by the 25th, which is Thursday. We have to submit them, so the committee would have to receive them from you prior to that or any suggestions to that effect. But we've heard this from others as well, and we certainly plan to be proposing amendments to this legislation. Your lexicon on it would be helpful in helping us draft that.

Mr. Sandro Perruzza: Certainly. Thank you.

Mr. John Yakabuski: Thank you very much for joining us today. We appreciate you bringing this forward to the committee because this is where we have to hear it.

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

Mr. Peter Tabuns: Thank you both for coming in today. I appreciate it.

The concern about the plan being subjected to OEB review—and certainly our party is concerned that there should be hearings; there should be an opportunity for independent ratepayers, independent citizens, to come forward and question the assumptions. What are your concerns if there are not OEB hearings?

Ms. Rhonda Wright Hilbig: The current process provides a hearing process where interveners can come forward and relay their concerns to the effective decision-makers. I guess the concern would be that a pure stakeholder process may not provide the same level of scrutiny.

Mr. Peter Tabuns: And when you say "the same level of scrutiny"—the government thinks this is a wonderful approach—what level of scrutiny are you talking about?

Ms. Rhonda Wright Hilbig: Speaking on behalf of the committee, a hearing process does provide a very structured question-and-answer adjudicated-type process, which is perhaps a little bit more concrete in getting questions out and responses from the responsible parties.

Mr. Sandro Perruzza: In addition to that, organizations like OSPE exist so that our members, who are experts in the field, have the opportunity to look at it independently through non-partisan eyes and are able to submit some recommendations and suggestions based on just empirical evidence. If this provision isn't allowed us, then I feel that our members don't feel that they're actively participating in the democratic process.

Mr. Peter Tabuns: And the other question I have: Your concern about the bidding method and whether everything that has to be known about the bid is related to its price—can you talk about the problems with simply having a low-cost bid system?

Mr. Sandro Perruzza: Sure. OSPE's not the only organization that's been advocating for a qualifications-based selection process. We're part of a larger consortium known as the Construction and Design Alliance of Ontario, made up of 20 different organizations, all in the construction and design industry.

We have evidence and cases where—by going with the lowest bid, you have situations where companies will save costs on material, quality of materials, quality of design, quality of construction processes in order to get the lowest bid and then, in the end, you have situations like the girders that happened in Windsor with the construction of the Herb Gray Parkway, where Ontario projects are then delayed and excess costs now come into play.

By designing based on a qualifications-based selection process, you're designing something that will meet the requirements of the project, but engineers always like to build in a safety factor. So although you may want a project and build a bridge that is designed to last for 50 years, by just a 2% increase in the overall cost of the project, by putting in proper engineering design principles, you'll now have a bridge that will last 75 to 100 years. We feel that's a much better investment and value to the taxpayer.

Mr. Peter Tabuns: Thank you. I have no further questions.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to the government side and MPP Delaney.

Mr. Bob Delaney: Is the IESO the appropriate institution for implementing the policies that are set out in the long-term energy plan?

Ms. Rhonda Wright Hilbig: I think, certainly after the recent merger with the Ontario Power Authority, the

IESO does have the technical staff to be able to carry out that level of power system planning.

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Mr. Bob Delaney: As the entity that, in many cases, speaks for professional engineers, what role do you think OSPE might play in Ontario's energy planning framework?

Mr. Sandro Perruzza: Again, our energy task force members, people like Rhonda and other professionals, are people who have worked in this industry for 25, 30, 40 years. Many of them, actually, have worked within the system and understand where the opportunities were, and they hadn't been able to take advantage of that from within the system and now, speaking through OSPE as an independent voice, are able to take a lot of that experience and reflection into consideration. We can speak with a little bit of authority, and they have a bit of an anonymous voice as well, to actually say, "Here are the opportunities we see, from being within the system."

In Rhonda's submission, she really talked about the expertise and the additional training that goes into these people once they get hired.

The energy system is very unique, very technical. It's a very niche market. You want to be able to take advantage of that expertise when establishing policy.

Mr. Bob Delaney: Okay. I'm going to ask you an open-ended question, and you may want to follow up with a more extensive written response. Based on the experience that you've just outlined, how do you think that process could be improved?

Ms. Rhonda Wright Hilbig: Sorry. The power system planning process?

Mr. Bob Delaney: You talked about some of the experience that has been gained through the participation by members of OSPE over the years. Based upon the experience that OSPE and its members have had, how do you think that process could be improved?

As I said earlier, I ask this question now, but you may want, upon reflection, to provide us with a more fulsome response later on.

Ms. Rhonda Wright Hilbig: Okay.

Mr. Sandro Perruzza: Just at a very high level, OSPE can provide that high-level analysis, I think. We can do a better job of being more prompt with our responses and being more concise with our responses. We have provided a lot of information to this government and previous governments in the past on a number of different issues, including energy. Oftentimes, for whatever reason, those submissions haven't been fully considered and adopted.

I can just reflect on the most recent Auditor General's report, with some of her comments she made around the energy grid and some of the opportunities that had been taken advantage of. OSPE had provided a lot of those recommendations to this government and previous governments in the past.

I think having a more open dialogue based on the empirical evidence will lead to better policy and a more cost-effective energy system that benefits us all.

Mr. Bob Delaney: Thank you very much for coming in.

Mr. Sandro Perruzza: Thank you for having us.

Ms. Rhonda Wright Hilbig: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. Have a good afternoon.

MR. TOM ADAMS

The Chair (Mr. Grant Crack): Next, we have with us Mr. Tom Adams. Welcome, Mr. Adams. You have 10 minutes. We will begin questioning, following that, by Mr. Tabuns from the third party. Welcome, sir.

Mr. Tom Adams: Thank you, Mr. Chairman and members of the committee.

The main focus of my remarks today is to address section 1 of Bill 135—that is, changes to the Green Energy and Green Economy Act.

That schedule of Bill 135 would empower the Ontario government, now or in the future, to order any customer of any size, from the largest manufacturer down to the smallest household, to use a government-approved consultant to report to government all of that consumer's energy and water usage information.

Further, the legislation would arm government with powers to order targeted consumers to file with the government a conservation plan according to the government's design. The government would be able to publish that consumer's data.

Bill 135 does not include provisions for penalties for non-compliance, or penalties for consumers whose reported energy and water usage seems disagreeable to some government official, but it does not seem out of order to anticipate, if the Ontario Legislature continues in its current trajectory towards more central planning, that such penalties might be forthcoming.

After I published a review of Bill 135 in the National Post, presenting basically this gloss of the bill's provisions, energy minister Chiarelli responded in the National Post. His letter, published in the November 18 edition of the newspaper, said of my column: "He disgraces these pages by torqueing what surely started as legitimate questions to new levels of paranoid hysteria."

Minister Chiarelli's letter does not contest any of my description documenting the new powers the government is granting itself, pursuant to the legislation. Rather, the thrust of his argument is that the new energy subpoena powers that the government is granting itself will only be used for good purposes. With overflowing confidence in the superiority of central planning, he asks, "Without these subpoena powers, how can we determine the most efficient route to get to tomorrow?"

Ontario's skyrocketing power rates, ongoing purchases of even more intermittent take-or-pay power generation, export power giveaways that expand by the year, secrecy around amounts paid to generators to not generate, and low-value or no-value conservation programs all suggest that this government's thinking about the most efficient route to get to tomorrow deserves reconsideration.

If the government's conservation initiatives were actually as beneficial to consumers as the government continuously claims, energy and water conservation reporting and analysis programs could be based on voluntary participation. Bill 135 might be easily amended to make participation in resource use disclosure programs voluntary.

When the government presents legislation that could easily introduce voluntary disclosure measures but, instead, adopts aggressive new powers requiring compulsory reporting, I suggest that it is not paranoid hysteria that such powers might have the potential to be abused in the future.

Although I have focused on the coming changes to the Green Energy and Green Economy Act under Bill 135, I want to comment to the OEB Act and the Electricity Act as well.

Power system planning, right down to the level of distribution system planning, will now be completely and directly controlled by the minister. The learned energy lawyer George Vegh has recently comment that, if enacted, section 2 of the legislation would "effectively remove independent electricity planning and procurement authority from the IESO and transmission approval from the OEB." I associate myself with Mr. Vegh's critique.

For the purposes of a thought experiment, let's agree that the current minister is possessed of profound wisdom in all matters related to correctly understanding and predicting the future of energy. But ask yourselves, what might happen if some future minister was appointed by a future Premier, and that future minister was unable to understand the profit or loss of export transactions, the impact of conservation programs on the recovery of overall revenue requirements in a power system during periods of vast excess supply and falling demand, or the impact of adding further intermittent generation as the marginal value of new intermittent generation already sinks? What would be the outcome then?

The Auditor General has found that over the course of many policy initiatives, including the smart metering plan and the 2010 and 2013 government-directed power system plans, the government ignored the advice of its own experts. Ongoing NAFTA arbitration initiated by the firm Windstream, claiming $475 million in damages against the Canadian government, highlights that politics, not professional advice, drove offshore wind power policy.

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Over the course of all of this politicized decision-making, was the government rewarded for its impatience? Was the government's instinct that it was doing the right thing at the time—how did that work out in hindsight?

The government has responded to the Auditor General's most recent report on energy by claiming that Bill 135 would solve the governance deficiencies identified by the Auditor General.

Eliminating the last vestiges of independence, making the IESO and OEB extensions of the Ministry of Energy, exacerbate rather than mitigate the deficiencies identified by the Auditor General.

The government and its allies have worked hard over the last two months since the Auditor General's report was issued to deprecate, depreciate and dismiss the Auditor General. I urge the members of this committee to set aside their partisan considerations and to look with fresh eyes specifically at the consequences that have arisen for ratepayers from decisions starting from the smart meter program forward, ignoring professional advice from the IESO and OEB and forcing those agencies to abandon professionalism in favour of passive obedience. Ask yourself: How is it all working out?

The Chair (Mr. Grant Crack): Thank you very much, Mr. Adams. We shall start with the third party. We will have Mr. Tabuns commence.

Mr. Peter Tabuns: Thank you, Tom, for being in here today.

Do you think that this new bill would prevent problems like the gas plant scandal or the—what can I say?—misplaced investment in smart meters?

Mr. Tom Adams: If this legislation passes as it's written, we'll lose some of the checks and balances that are in place in the existing system. I have my criticisms of the existing system, but losing those checks and balances would be a retrograde step. We need them. We need more sober second thought before we leap into multi-billion-dollar decisions.

Mr. Peter Tabuns: Which checks in particular are you concerned about?

Mr. Tom Adams: The original design of initially the OPA and now the IESO's power system planning function anticipated that those power plans would be produced by the professionals and then subject to public review. That provides multiple levels of professional oversight and public participation. All of that is gone under the provisions of Bill 135. Those were valuable criteria in the original design of the hybrid market. Again, I have my criticisms of the hybrid market, but that design had an intelligent concept behind it. The combination of professional drafting of reports and then a public review by an expert administrative law body with specialized energy expertise and the ability to bring public involvement and have cross-examination of witnesses and the testing of evidence—that's a valuable structure, none of which would apply in the post-Bill-135 world.

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

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

Mr. Bob Delaney: Can large building owners play an important role in reducing greenhouse gases?

Mr. Tom Adams: Yes.

Mr. Bob Delaney: Okay. Currently, many building managers don't track or measure energy performance, and those building managers that do have no common standard on which to compare themselves across other companies. Should there be such a common denominator

to enable companies to benchmark themselves based on a common standard?

Mr. Tom Adams: It would be up to those companies to decide how to allocate their resources in their analysis.

Mr. Bob Delaney: In other words, there should not be a common denominator to enable different companies to exchange information to determine whether they are ahead or behind the curve, above or below the average.

Mr. Tom Adams: We have precedents for companies co-operating in such arrangements; for example, CIPEC, a federally initiated program to encourage companies to share best practices on energy conservation. These are manufacturing and large industrial resource companies. That program has been operating now, I think, for something like 35 years. It has been tremendously successful. It operates on principles of volunteerism. Volunteerism can work. It doesn't have to have the authority of the state behind it to make it happen.

Mr. Bob Delaney: Just for perspective on the comments that you made regarding the existing or potential motivation of the government, you are the Tom Adams that helped draft the PC energy white paper in the 2014 election?

Mr. Tom Adams: Yes.

Mr. Bob Delaney: Thank you. Thank you, Chair.

The Chair (Mr. Grant Crack): We shall move to the official opposition. Mr. Yakabuski.

Mr. John Yakabuski: Tom, thank you for joining us and for your submission today.

Let me get this clear: In spite of the fact that we've seen multiple ministerial directives during this government's terms of office—more than any other government before, in an exponential way—interfering with the professionals who are supposed to be entrusted to make energy decisions, it's your position that the provisions in this bill, specifically under the planning side of it, would actually set us up for more ministerial interference and a higher level of ministerial power, where they could simply take the recommendations of the IESO or the Ontario Energy Board and completely ignore them?

Mr. Tom Adams: In the existing system as it has evolved, the agencies are subject to directives but they still hold the pen. Now, under Bill 135, the pen shifts. It's not even that the directives are necessary any longer; the function of directives in the Bill 135 world is just to ensure that the agencies implement the plan. The direct authorship now would reside with the minister.

Mr. John Yakabuski: So the IESO and the Ontario Energy Board would essentially become empty vessels, and the minister himself—he or she—it would be totally subject to them for the planning decisions.

Mr. Tom Adams: I believe that they become simply extensions of the Ministry of Energy. They have the same governance relationship with the minister, effectively, that the minister has with his own department.

Mr. John Yakabuski: How long have you worked in the energy field? How long have you been an energy analyst?

Mr. Tom Adams: Since the late 1980s.

Mr. John Yakabuski: Since the late 1980s. So we're closing in on 30 years.

Mr. Tom Adams: Yes, it is closing in on 30 years.

Mr. John Yakabuski: Yes—certainly longer than the Minister of Energy; I'm sure of that.

Have you ever been diagnosed as being a paranoid person? I know I can't ask you those medical record questions, but—

Mr. Peter Tabuns: Only informally.

Mr. John Yakabuski: Yes, only informally.

Mr. Tom Adams: I've been called a lot of names over the years.

Mr. John Yakabuski: So not only do you have more experience in the energy field—we certainly know that the Minister of Energy is not a medical doctor. He's not capable of making those diagnoses.

Anyway, that is the concern that we continue to have as well: that a government that has controlled this sector with an iron fist, so to speak, which has driven up hydro rates by four times since they've gone into office—they've made a lot of wrong decisions, obviously. Now we're actually going to make the individual minister more powerful that they are today if this bill is not amended.

Mr. Tom Adams: The action that's going on at NAFTA right now, where the Windstream arbitration is being heard as we speak, illustrates beyond a shadow of a doubt the consequences of having a minister with such powers. The potential impacts on the public interest seem to be profound.

Mr. John Yakabuski: And it's not only that; there's more than one action at NAFTA as a result of this government's—

Mr. Tom Adams: There's a pending decision from another company called Mesa Power. The combined potential downside for the taxpayer is in a range exceeding $1 billion.

Mr. John Yakabuski: Wow.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it.

Thank you, Mr. Adams, for coming before the committee this afternoon.

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MR. MARK WINFIELD

The Chair (Mr. Grant Crack): Next we have the co-chair of the Sustainable Energy Initiative at the faculty of environmental studies at York University, Mr. Mark Winfield. Mr. Winfield, we welcome you this afternoon.

Mr. Mark Winfield: Thank you.

The Chair (Mr. Grant Crack): You have 10 minutes.

Mr. Mark Winfield: My name is Mark Winfield. I'm an associate professor of environmental studies at York University. I chair something called the Sustainable Energy Initiative, which is our effort to integrate teaching partnership and research around sustainable energy at the university.

I've followed the evolution of the province's approach to electricity system planning closely since the concept of system planning was reintroduced in 2004. I've published a number of articles and papers on the subject. I believe the Clerk has circulated a copy of the most recent book chapter, which isn't quite in press; and also an oped I had in the Ottawa Citizen around the gas plants cancellation scandal and how that related to failures around the planning process. I actually appeared before the Standing Committee on Justice Policy in its study on the gas plants cancellation scandal as well.

The proposals that are being advanced in Bill 135 have been around for some time. They were actually first proposed in 2012. Bill 75, the first iteration, died on the order paper when Premier McGuinty prorogued the Legislature in October 2012.

The electricity system planning process established in 2004 through the Electricity Restructuring Act created and mandated the Ontario Power Authority to develop integrated power system plans for the province's electricity system. These plans were then subject to review and approval by the Ontario Energy Board on the basis of their cost-effectiveness and prudence.

Ontario regulation 277/06, made under the Electricity Act around the same time, required that the OPA demonstrate to the OEB that it considered sustainability and environmental protection and safety in the development of those plans.

At its core, Bill 135 would abandon even this very limited structure of public review of proposed system plans. System plans would be developed by the Minister of Energy and approved by the cabinet. The OEB and the IESO would then be required to implement these plans. There would be no requirement for review or approval before the Ontario Energy Board.

In my view, quite bluntly, this proposal is bad in terms of energy policy, it's bad in terms of economic policy, it's bad in terms of environmental policy and it is also politically unwise. It seems the government hasn't learned very much from the gas plant cancellation adventure.

Electricity system plans are the largest single net infrastructure investments made by the province. They carry with them major economic and environmental risks around the technological choices, costs and performance of different technologies. They carry risk of underbuilding or overbuilding infrastructure in a period of high economic uncertainty, and they carry risks of technological lock-in in what may be the most significant period of technological innovation in the electricity sector since the emergence of utility systems a century ago. We have seen game-changing developments in renewable energy technology, smart grids, distributed generation and energy storage.

The proposed legislation would mean that system plans and their contents would be subject to no meaningful external review. There would be no review of their economic rationality, cost-effectiveness or prudence through the Ontario Energy Board. There would be no environmental review under the Environmental Assessment Act or any other mechanism. There would be no review in terms of their resilience and ability to adapt to changing economic, social or technological circumstances. And there will be no opportunities for non-governmental stakeholders—non-governmental organizations, industry, consumers and others—to challenge in a formal way key assumptions, data and risks that the plans may embed.

In effect, this legislation abandons the notion of rational planning in the electricity system. The long-term design and management of the system would be effectively treated as a political matter. Ontario needs a rigorous, independent review of electricity system plans before they're finalized to move toward implementation.

The IESO or another appropriate body needs to be mandated to develop plans and revise plans on a regular basis. These plans need to respond to specific direction and criteria laid out in legislation. The plans need to be subject to external public review and approval before they're implemented by a body with appropriate economic, environmental and technical expertise.

I'd also highlight that the approach the province is taking here departs quite significantly from the norm you see in other jurisdictions in North America, which is that you have the utility develop some sort of a system plan and then it goes before some sort of regulator for review as to whether or not the plan is going to be allowed to be implemented or not. Without a framework like that, the finances, energy security and environment of Ontario residents and electricity ratepayers will continue to be at risk.

Given my concerns with the overall structure of the bill, I can only offer some very limited amendments. My first option, frankly, would be to strike out part 2 altogether. Failing that, I have made some suggestions, particularly around the articulation of the system goals in section 25.29(2). These relate to advancing sustainability, addressing economic prudence and risk, ensuring resilience and adaptive capacity, avoidance of catastrophic events, advancing energy efficiency and renewable energy sources, and ensuring appropriate consultation in the development of system plans.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Winfield. We shall start with the government. We'll begin with Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you, Mr. Winfield. Long-term energy planning is essential to a clean, reliable and affordable energy future, and Ontarians have been very clear that they want to play a larger role in our government's long-term energy planning process.

Our government is enshrining a long-term energy planning process that is transparent, efficient and able to respond to changing policy and system needs. This has not been done in the past. The 2013 LTEP was the biggest, most open and comprehensive consultation process in the Ministry of Energy's history.

Also, the legislation would enshrine the long-term energy planning process that developed the 2010 and 2013 long-term energy plans to ensure that future long-

term energy plans are developed consistent with the principles of cost-effectiveness, reliability, clean energy, community and aboriginal engagement.

I'm looking at your sources, and is it not true that every one of these sources down here, you either wrote or co-wrote?

Mr. Mark Winfield: Yes, that's the point. This is just qualifying me as a witness, as someone who knows something about the subject matter.

Ms. Ann Hoggarth: Thank you.

Mr. Mark Winfield: Lots of other people have written on this, too.

Mr. John Yakabuski: Is that it?

Ms. Ann Hoggarth: Yes.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to the official opposition: Mr. Yakabuski.

Mr. John Yakabuski: Well, I thank you for writing these, Mr. Winfield, and thank you for joining us today.

It just boggles my mind as to the government that has politicized the electricity system more than anyone in the past—it seems that they almost want to take absolute control with this bill, Bill 135. You, as a professor at a university, have seen the same problems with it as Mr. Adams has seen with the overarching control that the government would want.

I have to wonder: Which one of Putin's secretaries wrote this bill for the minister, because it just seems to be—

Mr. Bob Delaney: Chair, on a point of order: That one is way over the top, imputing motive to—

Mr. John Yakabuski: No, it's not imputing motive at all. I'm looking at Mr. Winfield's submission and I really love the way he's written it: "no review of the plan"—

The Chair (Mr. Grant Crack): Mr. Yakabuski, I'm sorry to interrupt, but Mr. Delaney has asked whether that's a point of order or not. Thank you, but it's not a point of order. You may not like what Mr. Yakabuski is saying, but continue, sir.

Mr. John Yakabuski: Thank you.

"—no review of the plans' economic rationality, cost-effectiveness or prudence through OEB;

"—no review of the plans' environmental impacts and risks under the Environmental Assessment Act or other comparable processes;

"—no review of the plans in terms of their resilience and ability to adapt to changing economic, environmental, social or technological circumstances...."

There's no review. Yet the minister can take all of the planning that has been offered to them through the IESO or the OEB and simply take a look at it and say, "No, thank you. I've got a better idea." Is it your interpretation that, under this bill, that's what he could do?

Mr. Mark Winfield: That's the essence of my interpretation here, yes.

Mr. John Yakabuski: How could that possibly be, in a time when governments talk about consultation and engagement with people, an improvement?

Mr. Mark Winfield: I think my conclusion is that it's not. Frankly, I'm somewhat baffled at this, because it does embed political risks on the part of the government, too, in a sense that they're taking complete and full ownership of wherever this goes, which has been part of the reason why governments typically have not gone down this kind of a path.

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Mr. John Yakabuski: What do you think their motive is? I can't question their motives—and Mr. Delaney will call me on a point of order—but you certainly can.

Mr. Mark Winfield: My short answer is, I don't know. Frankly, I'm at a bit of a loss to explain it. It is a departure from the practice you see in other jurisdictions.

Mr. John Yakabuski: Have you written an op-ed on this at all?

Mr. Mark Winfield: Not on the current version, no.

Mr. John Yakabuski: No, you don't want to, because you'll be accused of being paranoid. So be careful—

Mr. Mark Winfield: I don't know about that. But I am, quite frankly, at a bit of a loss to understand the government's rationale. To a certain degree, it may be that they found that the OPA's process was too rigid and too inflexible, and the attempts to develop plans were overtaken by events, repeatedly. But rather than moving towards a planning process which is more adaptive and more iterative, which is what I think you need to do in response to that circumstance, in a sense there seems to be a conclusion, "Well, if we manage this at the political level, we can be more nimble or more responsive." It's the only explanation I can really offer.

Beyond that, I'm at something of a loss. It just doesn't make a lot of sense to me. The risks here are very, very significant—economically, technologically, environmentally. The fundamental problem—

Mr. John Yakabuski: Well, you ignore the experts at your own—

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it. You had quite a bit of extra time on that. My apologies.

Mr. John Yakabuski: Thank you very much.

The Chair (Mr. Grant Crack): We shall move to Mr. Tabuns, from the third party.

Mr. Peter Tabuns: Mark, thanks very much for taking the time to come in today. I actually don't find it a problem that you've authored quite a few articles of substance when it relates to the electricity system.

You note that this bill, effectively, ignores all the lessons we should have learned from the gas plants scandal. Can you tell us what those lessons were that were ignored?

Mr. Mark Winfield: I think the problem here was precisely that, absent an external review of the plans that were developed by the OPA through the OEB and even, indeed, under the Environmental Assessment Act as well, when things began to go wrong, when there began to be objections raised to these facilities, in effect there was no explanation. There was no way to explain why we were doing this and why we were building these facilities and

where we had taken these sorts of considerations that the community was raising into account in the decision-making process—because that hadn't happened, fundamentally. There had been no stage at which there had been an opportunity to ask the questions: "Why are we building gas-fired power plants? Why are we building them in these locations? Did we take into account some of the local considerations around air quality and those sorts of questions?" There simply had been no process in which to do that, and when the community began to organize and push back, there was, in effect, no response, nowhere to go. You ended up in a situation where the Premier's office had to intervene, to try to improvise a fix in the short term, and that set in motion a series of cascading events that I don't need to remind members here about. Fundamentally, in my mind, it flowed back to the fact that, absent a proper planning process in the first place and anywhere to go from that, in a formal sense, when things began to go wrong, it was almost an inevitable outcome. This is what happens when you go down this pathway: You end up managing things in a political sense because you've got nowhere else to put the conversation.

The idea here is precisely that you would have the plans reviewed by the Ontario Energy Board or some other body as may be appropriate, to think about these sorts of questions before we move into implementation, so that if people do start to raise questions—"Why are we building a plant here? What considerations went into that?"—there's at least some sort of an answer they can be provided with.

Mr. Peter Tabuns: You note that, effectively, environmental protection considerations are now taken out of this process. Could you talk about the risk that provides?

Mr. Mark Winfield: One of the subtle dimensions of this is that the requirement to consider sustainability, which had been embedded into the earlier IPSP process, vanishes. There is some language in the legislation that makes reference to the environment, but of course implicit in this and, indeed, explicit in the legislation is a decision to exempt any plans from the Environmental Assessment Act, and really to provide no substitute process of any nature that I can identify in response to that. So this is a significant step backwards. We did, at one time, review the equivalent types of plans under the act, and indeed the one time that happened, in the late 1980s, I think the long-term view on that would be that the province benefited greatly from it. We avoided building a great deal of infrastructure at very great expense that, in the end, it turned out we wouldn't have actually needed.

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

EFFICIENCY CAPITAL CORP.

The Chair (Mr. Grant Crack): Next on the agenda we have, from the Efficiency Capital Corp., vice-president of energy solutions Allison Annesley. I believe that's correct. Welcome to committee this afternoon. You have 10 minutes.

Ms. Allison Annesley: Thank you very much. I appreciate that. Thank you for hearing my presentation. I'm actually here to speak to the proposal for the energy reporting requirements specifically, which we at Efficiency Capital are very much in support of, particularly the idea of having that information be made public.

Efficiency Capital is a private sector company, and we source, finance and oversee energy efficiency retrofits for large buildings, so essentially we help building owners to leverage their future energy utility cost savings in order to pay for efficiency upgrades, with little or no upfront capital. We do this using an energy savings performance agreement. It's an innovative financing tool, and it's a non-debt instrument that offers also a performance guarantee backstopped by third-party insurance. We have a strong interest in using the data that would be available from publicly reporting in order to identify which buildings can use our help. We also would like to use that same information to develop persuasive proposals that would in turn help to convince more building owners to do deep, comprehensive energy efficiency retrofits in order to be able to capture the multiple benefits specifically for the building owners, including reduced operating costs, the associated reduction in greenhouse gas emissions, enhanced building value, the ability to attract and retain tenants, as well as improved air quality, environmental comfort and improved operating efficiency for the buildings.

I have distributed a handout that just explains some of the other statistics that help support the business case for energy efficiency, including the fact that, in terms of retrofits, 80% of the buildings that we'll be using in 2050 have already been built, so that makes energy efficiency retrofits a tremendous opportunity. However, there is one major barrier that's cited by 42% of North American organizations surveyed about what stops them from doing more, and that's access to capital. So Efficiency Capital would like to have the opportunity, through accessing this data, to identify more of the buildings that can use our help in order to do the energy efficiency projects that they would like to do if they had access to that capital. I'd also like to point out that that's an opportunity cost, not taking advantage of those savings. The projects that we've done, the building retrofits we've done, typically have between 10% and 40% energy savings post-retrofit.

We'd also like to have the opportunity to assist in helping to grow the green economy, because for every dollar that's spent on energy efficiency, research has shown that there is an associated $5 to $8 increase in gross domestic product; in addition, 30 to 52 job-years are created. I mentioned also the ability to attract and retain tenants. Research shows that 30% of organizations are willing to pay a premium to lease space in green buildings, In addition, a recent study conducted by TD Economics in Toronto about our local condominium

market showed that condo unit buyers are willing to pay an average of 5% as a premium for LEED silver-certified units and up to 14% on resale for LEED gold units. The units that offer the most green features actually have a significant increase in value as a result of their efficiency.

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The Chair (Mr. Grant Crack): We're done?

Ms. Allison Annesley: Yes. Essentially, that is my point. We would love to have the opportunity to use the information that would be available in order to help more buildings become energy efficient.

The Chair (Mr. Grant Crack): Thank you very much. We shall start with questioning from the third party. Mr. Tabuns.

Mr. Peter Tabuns: I've had a fair amount of experience in the field, and I very much like the idea of what you're doing. Can you give me the calculation or the base for saying that a dollar in energy efficiency gives a $5-to-$8 increase in GDP and the 30 to 52 job-years that are created?

Ms. Allison Annesley: That research was done by the Acadia Center. I didn't crunch the numbers myself.

Mr. Peter Tabuns: Fair enough. Can you give us a sense of the market in Ontario for this kind of energy efficiency work?

Ms. Allison Annesley: Well, that's what we're hoping this data will help provide us. We would like to know more about where those buildings are because the class A buildings are already maximizing their opportunities for energy efficiency for the most part, but there are a lot of buildings that can't afford to do it and having access to capital in order to be able to do the projects now helps to mitigate the opportunity cost of leaving it until they become laggards and are no longer able to attract and retain tenants.

Mr. Peter Tabuns: Can you give us a sense of the scale of the market that exists today? If class A buildings are already doing this kind of work, what sort of dollars are we talking about spending on an annual basis to increase energy efficiency?

Ms. Allison Annesley: I can only speak to what the costs would be per project, and that varies, of course. But when we look at a midrise building, a retrofit could be $1 million, $2 million, $3 million. Even the cost of an audit is a barrier, we find. Despite the fact that there are incentives for the audit, you still have to pay up-front.

Mr. Peter Tabuns: Right. And do you have a sense of how much construction work in dollar value is currently being generated by this activity?

Ms. Allison Annesley: You mean in retrofits or new builds?

Mr. Peter Tabuns: Yes, in retrofits.

Ms. Allison Annesley: Not enough.

Mr. Peter Tabuns: That's a round figure.

Ms. Allison Annesley: It is. No, I don't have the industry-wide information. We are a relatively new company that's trying to tap into this market, and we're offering an innovative product that is not available in every jurisdiction. We'd like it to become more widely available.

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

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

Mrs. Cristina Martins: I wanted, first of all, to thank you for being here today and to thank you and your company for the work that you're undertaking to help and assist building owners retrofit their buildings and reduce greenhouse gases here in Ontario.

As you are well aware, the large building owners can really play an important part in helping Ontario reach its objectives when it comes to conservation and GHG reduction through the energy and water reporting and benchmarking. I think in 2013 large buildings accounted for about 19% of the total GHG emissions in Ontario—a significant percentage.

As I understand it, one of the largest barriers to building owners is that they currently don't have the baseline in how to—any improvements they can make to what it is they are doing, they don't have that baseline. I guess it's up to us to first inform building managers and perhaps make them understand how much energy and water is being used in order for them to identify how to better improve what it is they're doing.

My question is: Do you believe that reporting and disclosure is a low-cost, market-based policy tool to help overcome these barriers?

Ms. Allison Annesley: Yes, I absolutely do believe that. If you add in the offsite generation, I believe that figure goes up to 26%.

Mrs. Cristina Martins: Thank you. Similarly, do you believe that a lack of publicly available building performance information prevents property managers from comparing building performance and valuing the importance of making energy efficiency investments?

Ms. Allison Annesley: Yes, I do. I believe that energy performance transparency would be a very strong driver in the marketplace.

Mrs. Cristina Martins: Okay. And are there any additional ways that Efficiency Capital Corp. would augment the current proposal that we're debating here today?

Ms. Allison Annesley: I think that making the information public is the most important part for us in terms of the energy reporting requirement. But also making the conservation demand management plans publicly published would assist us too, because when a building doesn't go forward with a proposed energy efficiency retrofit, we often find that if you go back to see that same building after a period of time, really nobody has looked at the information. Pressure to report publicly and continue to monitor what's happening with your building and whether or not you've addressed the problems that have previously been identified I think is also a strong motivator.

Mrs. Cristina Martins: Okay. Those are all my questions. Thank you very much.

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

Mr. John Yakabuski: Thank you very much for joining us today. It's nice to see you again.

Ms. Allison Annesley: Thank you.

Mr. John Yakabuski: When one of these retrofits would be done, what would be the average for energy savings as a percentage? You may have mentioned that in your—

Ms. Allison Annesley: Between 10% and 40%. It depends on the measures, obviously, the scale of the building—

Mr. John Yakabuski: And how inefficient it was in the first place.

Ms. Allison Annesley: How inefficient it was in the first place. And we are looking at water, natural gas and electricity, so there will always be a combination of measures. How we try to make these projects work is by combining faster payback measures with some of the harder-to-pay-for measures.

Mr. John Yakabuski: In general, of the retrofits that you've experienced or you've been involved in, what would be the average payback time?

Ms. Allison Annesley: Under six years.

Mr. John Yakabuski: Under six years?

Ms. Allison Annesley: In order for us to take on the project, yes. We will take some of those harder-to-pay-for items, like boilers and chillers, and blend them with some of the faster payback items, which would include water-efficient fixtures, as well as LED lighting conversions, for example.

Mr. John Yakabuski: On what types of buildings is the efficiency capital involved? Where does it apply?

Ms. Allison Annesley: We operate in multiple sectors, but we've had a lot of success in the multi-unit residential sector. They seem to really need our help.

Mr. John Yakabuski: A lot of the stock of multi-unit residential was built 40 years ago. They probably are less than efficient by today's standards, so there's probably a lot of available stock in that genre.

Ms. Allison Annesley: Absolutely. Older buildings, but also buildings where there have been few recent upgrades.

Mr. John Yakabuski: Okay. Thank you very much for your presentation today. I know we're dealing with the first part of the bill here. Do you have any views on the second part of the bill, the planning part of it?

Ms. Allison Annesley: I'm really only here to speak to the part that—

Mr. John Yakabuski: With regard to the energy savings and efficiencies.

Ms. Allison Annesley: Yes. Yes, I am.

Mr. John Yakabuski: Thank you very much, Allison. I appreciate you coming today.

The Chair (Mr. Grant Crack): Thank you, Ms. Annesley, for coming forward to committee this afternoon. We appreciate it.

Ms. Allison Annesley: My pleasure.

BUILDING OWNERS AND MANAGERS ASSOCIATION TORONTO

The Chair (Mr. Grant Crack): We're doing quite well time-wise, so we'll call our next delegation this afternoon from the Building Owners and Managers Association of the greater Toronto area, BOMA. I believe we have Mr. Gnanam with us, who is the director of sustainable building operations and strategic partnerships; and also Adrien Deveau, who is a member of the board of directors.

Gentlemen, we welcome you. You have 10 minutes.

Mr. Bala Gnanam: Thank you. My name is Bala Gnanam. I'm the director of sustainability and building technologies with the Building Owners and Managers Association, commonly known as BOMA Toronto. The gentleman to my right is Adrien Deveau, who is a member of the board of directors.

BOMA Toronto is a not-for-profit industry association established back in 1917 and represents over 80% of all commercial real estate in the GTA and beyond. Our membership includes all leading building owners, property and facility managers, developers, corporate facility managers and leasing professionals, as well as service providers that cater to the commercial real estate industry. Our mission is to develop, promote and advance best management practices in the real estate industry through advocacy, education and networking.

On behalf of BOMA Toronto and its membership, I would like to thank this committee for this opportunity to provide our feedback on the proposed amendments to the Green Energy Act, 2009.

As a major stakeholder in the province's commercial real estate industry, we are fully supportive of any initiative aimed at promoting building performance and environmental stewardship. We also welcome the minister's customer-centric approach to the province's long-term energy plan.

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Our members own or manage buildings across Ontario. As such, we ask this committee that the discussions related to energy and water reporting be maintained at the provincial level and not be relegated to individual cities or municipalities, so that our members are not subject to a risk of coping with various degrees of reporting requirements from different Ontario jurisdictions.

While we understand the benefits of benchmarking and how the reported consumption data could be used by the province to help improve energy infrastructure and design better programs for consumers, we recommend that this be done in a manner that is efficient, practical and does not impinge on the business interests of commercial real estate owners and managers and their right of privacy. As such, our role as the representative and advocate for all commercial real estate owners and managers is to work with the province and other stakeholders to ensure that all of the industry concerns are addressed adequately, that the final outcome is beneficial to all parties and that the overall objectives of these regulations are achieved and sustained.

I have included within the package before you a copy of BOMA Toronto's energy and water reporting and benchmarking policy document. The recommendation outlined within the policy document is built on consensus from our ERB task force, which is comprised of senior representatives from all leading commercial real estate owner-manager firms in Ontario. Considering that many of these firms also own and manage facilities across Canada, our policy document also represents our national sentiments with respect to this subject.

In order for proposed amendments to be meaningful and deliver lasting results, it is essential to understand how the various types of buildings are managed and operated, the nature of building relationships between landlords and tenants, and the inherent issues related to getting access to energy data from tenants or utilities. Also, in the case of industrial and retail buildings, there are legitimate privacy concerns with sharing or releasing the utility information because the amount of energy used by many businesses is part of their competitive advantage or disadvantage, as the case may be. As such, there is a real sensitivity to collect and share this information.

Tenants under these circumstances are metered directly by the distributor. The landlords are usually not privy to this information. In this regard, BOMA is supportive of the proposed amendment to section 7.3. However, in the interests of landlords of industrial and retail buildings, we recommend that the language be extended to direct distributors, upon request, to provide the consumption data to the landlord in an aggregate format for a given address. This would allow the distributor to provide the landlord access to the consumption data for the whole building while maintaining the anonymity of individual businesses or tenants housed within that building and their consumption data private and confidential.

We would like to address the proposed amendments within the context of two main areas: reporting and disclosure. From the reporting side, BOMA is seeking clarity on the term "prescribed person" in section 7 of the proposed amendments. Is a prescribed person to mean landlord or tenant or both, as each interpretation would carry different implications, depending on the asset type?

Considering the disparity in the way that buildings of certain types and sizes and asset classes are managed, BOMA Toronto recommends that the implementation of ERB regulations be phased in to allow for sufficient time for the industry to fully understand the requirements and take the necessary actions to become compliant. Special consideration is required for industrial and retail buildings because of the reasons indicated earlier. A set of nine recommendations, including defined circumstances for special exemptions, are provided in section 1 of our policy document.

With respect to section 7.1 of the proposed amendments, additional requirements for CDM plans or energy conservation in general under the proposed regulations should not become an administrative burden. The regulations should avoid duplication of initiatives that are already under way and should not impose additional costs. Furthermore, such additional requirements should not impede great efforts and initiatives that are already being undertaken.

We believe that this proposed requirement should be kept outside the Green Energy Act. There is no value in expecting landlords to submit copies of the CDM plans or the energy assessments as the province neither has the resources to review such submitted materials nor does it have the resources to ensure such plans are implemented as stated. Since the implementation of such plans is influenced by many factors, including previously planned work, tenant vacancy, turnover etc., it would be very difficult to enforce. Why impose an impractical requirement? Section 4 of our policy document covers the requirement in greater detail.

When it comes to disclosure, our assessment of similar policies in various US jurisdictions reveals that the intent of such policies is not to hold landlords responsible for improving the performance of their buildings, but rather to account for and to track energy consumption and to hope that the public disclosure of certain energy data would motivate landlords to improve the performance of their buildings. In the US, such policies do not enforce performance improvement, and the only measure of compliance is meeting the reporting deadline.

BOMA Toronto does not endorse punitive methods or any form of public shaming through disclosure of a specific performance metric to improve energy performance. We believe in bringing about change through education and sustained market/sector engagement.

As many energy and performance data elements are considered strategic information, the building owners' and tenants' need to keep certain strategic details confidential must be respected. We understand the benefits of the monitoring and tracking of energy use and benchmarking buildings, and we are aware that such strategies have been shown to improve buildings' performance over time. However, there has been no empirical evidence to suggest that publicly disclosing energy performance leads to the same outcome, according to a study from Harvard University.

However, some degree of disclosure, perhaps defined as social benchmarking, has been shown to impact consumption behaviour. Under such circumstances, it is reasonable to expect the owners and managers of large commercial properties to share some performance data, but every effort must be made to protect their privacy and business interests, as well as that of the businesses housed within their buildings.

As such, we recommend the disclosure of only certain metrics that are relevant to achieve the objectives of the ministry, outlined in section 2.2 of our policy document. Section 2 in general provides an area of recommendation, including provisions for exclusion under special circumstances.

In conclusion, I would like to reiterate the point that, while we are supportive of initiatives to improve building performance and promote environmental stewardship and

the stated objectives of the proposed amendments to the Green Energy Act, we recommend that they are done in a manner that is efficient, practical, and with a full understanding of the various nuances associated with the management and operation of different commercial asset types. Such regulations should also not negatively impact the business interests of commercial real estate owners and managers and their tenants, and should not impose any undue financial burden. Thank you.

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

We'll start with the government side. Mrs. Martins.

Mrs. Cristina Martins: Thank you very much, and thank you both for being here today.

It's my understanding that BOMA Toronto has been involved quite early on in terms of feedback from industry and from organizations in developing large building energy and water reporting and benchmarking.

If you could just tell me: What is the difference—and what kind of impact on your industry, on your organization—on whether this proposal were to be adopted at a province-wide level versus, say, municipality to municipality to municipality?

Mr. Bala Gnanam: The impact is that many of our members have buildings across Ontario. For example, if Mississauga were to have its own regulation with respect to reporting—and then Toronto, and then Vaughan—that would create such chaos and it would become such a burden. I think it would take away from the true intent of the regulation. That's why, right from the beginning, we propose that it's to be taken as a provincial initiative.

Mrs. Cristina Martins: So province-wide regulation is the way to go with this.

Mr. Bala Gnanam: Absolutely.

Mrs. Cristina Martins: What is BOMA Toronto's view with regard to the proposed phased-in implementation of energy and water reporting and benchmarking?

Mr. Adrien Deveau: We agree that it should be phased in.

At the end of the day, we want this program to be successful. We just know, from the level of sophistication of different landlords, of different asset classes and also of different sizes, you get a greater—the landlords managing AAA buildings downtown have a higher level of sophistication than a mom-and-pop shop running a 50,000-square-foot office building in north Vaughan. The point is, if you phase it in to be the largest asset types first and the ones that are the office asset class, as opposed to multi or residential or industrial—both of those asset classes present some unique challenges. It'll be easier for the industry to accept it as a whole and harder for people to say no to it when early phase-outs just happen smoothly.

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Mrs. Cristina Martins: Thank you. I guess my other question is, how else can we improve on what we are proposing? Are there any suggestions, anything else that you think we need to make sure that this is part of what we're talking about here today?

Mr. Adrien Deveau: I'd say one of the big things is the whole effort to normalize, to understand what the numbers mean. When you're doing comparisons, in our view, it's really important to have apples-to-apples type comparisons that mean something. Our paper covers this a little bit, but in terms of Energy Star for office buildings, it's a tool that exists and makes us able to compare buildings to one another on what's different about those buildings. But that same type of tool doesn't exist for assets like multi-unit residential buildings or industrial or retail, and it makes it really difficult to know. If you've got two numbers of energy intensity, the amount of energy used per square foot in that building or per rental unit in that building or per number of persons in that building, how do you compare, as you mentioned earlier, a 40-year-old asset that doesn't have air conditioning to a modern asset that does have air conditioning and maybe a pool? Maybe the individual occupants, owners or tenants are sub-metered, so they have incentive to reduce their energy use in their suite, where the 40-year-old one isn't sub-metered. It's a hodgepodge that makes it really hard to compare two numbers.

That can be detangled as an industry if we get to a normalized tool, but even today, in 2016, the thought would be that such tools exist and they don't, and they're not necessarily on the horizon of months away. I would say it's likely years away before those tools exist. But factoring that into this and being the end goal of collecting data now so that somebody can create those tools, like Enercan or, in the United States, the Environmental Protection Agency—that, to me, would be a fantastic outcome of this.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it. I gave you a bit of extra time.

We shall move to the official opposition. Mr. McDonell.

Mr. Jim McDonell: Thank you for coming today. Are you somewhat worried that it will be a plan that just generates a lot of collection of data; that, really, a lot of it can't be used or is of no use and generates a lot of regulation that building owners just don't really need?

Mr. Adrien Deveau: Well, I'd say almost the same thing. Our experience is that the large, sophisticated landlords are already—this won't be a burden for them. They're already collecting this data and acting on it. I think this data is important in terms of trying to improve performance. I think the challenge is tied to what we were saying with some of the other asset classes. The data just isn't available right now. If you're a landlord of a retail mall or a landlord of an industrial building, there's a good chance you're not getting the data right now on the energy consumption that is happening in that building because the tenants are billed directly by the utilities.

For our member organizations, the real desire is that if this comes through and it's required, they just don't want it to be a burden that they have to chase all these tenants, who have no real interest to share this data. If the landlords are required to share it, they would like it to be part

and parcel of this act that the utilities have to provide this data in aggregate to the landlord, and that would reduce the administrative burden.

Mr. Bala Gnanam: If I may continue on that also, related to a question that was before us: In addition to that, I think the challenge is also tackling the class B and class D type buildings, because class A buildings are already ahead of the curve and they have no objection to meeting this requirement. But where you're going to find the challenge is: How do you reach those class B and class C buildings that are pretty much resourced-strapped?

What we're suggesting is, working through organizations like BOMA Toronto that have that direct connection with the end-users, to be able to reach out and actually promote conservation. We've done that before, through the BOMA CDM Program, if you remember that. This is the predecessor to the current saveONenergy program. We gave away close to $25 million in incentives and turned it around into a $190-million investment. So that's a great success.

We have the infrastructure; we have the knowledge; we have the skills. Work with us, and we're here to make sure that the outcome is amicable to everyone and successful.

Mr. Jim McDonell: I guess the concern is, I've seen too many different programs or fields where people spend hours and weeks and literally months collecting data, especially in the agricultural field. And what does it provide at the end of the day? That's a worry. You want to make sure that if you're collecting data, you want to be competitive, not only in Ontario but amongst the market around your competitors, who may not reside here. You want to make sure that if you're gathering information, it's usable and has some benefit versus just more information that gets stored on a disc somewhere but is never accessed. You're concerned about that. There are certain points and levels of technology we can use, but in some of the older buildings that have been around for 20 or 30 years, it's not easy to incorporate some of those technologies, nor is it cost-efficient.

Mr. Adrien Deveau: The amazing thing that we've seen is that older buildings aren't necessarily at a disadvantage in terms of the efficiency of new buildings. That's part of the power of what the data ends up revealing. If we are able to get to a point where we can normalize that performance so that we're looking at apples to apples, amazingly, many of the best-performing buildings are older buildings.

We share your concern that if this becomes really onerous for the landlords to get this data that they don't actually have—that is a big concern of ours. But as long as it's part and parcel of the bill that the data is going to be readily accessible, that the landlords don't have to spend undue amounts of time to get the data, I think this does put us on a path that allows performance improvements. Right now, that is one of the problems. As you look at a building without understanding, you can see—maybe you have five buildings and one of them uses way more energy, but that's the building where the tenants aren't sub-metered, and it is air-conditioned. You don't have a way to know whether that building should have that high energy use or whether it's abnormally high. But if we can get to the point that the office sector has—it's an eye-opener for buildings when they actually get the data collected and find out, on the zero to 100 Energy Star scale, that they're at 20, and they thought they were a good-performing building.

The Chair (Mr. Grant Crack): Thank you very much. I appreciate it. I wish we had more time.

Mr. Tabuns.

Mr. Peter Tabuns: Thank you very much for presenting here today. Can you give me a sense of the scale of the energy retrofit market in Toronto at this point? Do you have a sense of the number of dollars that are being spent on an annual basis to cut energy use?

Mr. Adrien Deveau: I don't know that. Do you know that?

Mr. Bala Gnanam: No, sorry. I don't.

Mr. Peter Tabuns: Is it a major part of the business practice of your members?

Mr. Adrien Deveau: I think absolutely. Yes.

Mr. Bala Gnanam: Energy comes to about 30% of our operating budget, so it is—

Mr. Peter Tabuns: So it is big.

Mr. Bala Gnanam: Absolutely.

Mr. Peter Tabuns: It's very big. Do you see the potential, when this data is available, for significant further investment by the building operators when they see how they compare to others?

Mr. Adrien Deveau: I personally think it could drive that, certainly. We've seen that in the class A buildings downtown. We've seen that kind of change. If these same types of tools were to be—again, years from now; not months from now—available for different asset classes, I think you could absolutely see the same type of impact.

Mr. Bala Gnanam: I would also like to add that retrofits are only part of the solution. I think the province also needs to invest a lot in education and not in market transformation, because just simply retrofitting a building and not addressing behavioural elements—it becomes a stranded asset. It doesn't take a lot for a high-performing building to deteriorate if it's not being operated properly. That comes down to operator training, so we encourage the ministries to look into heavily investing in the education side as well, while at the same time taking all efforts to transfer the market from where we are today.

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

Mr. Adrien Deveau: Thank you.

The Chair (Mr. Grant Crack): Thank you to both of you gentlemen for coming before the committee this afternoon. I appreciate it.

ONTARIO FEDERATION OF AGRICULTURE

The Chair (Mr. Grant Crack): Next on the agenda, from the Ontario Federation of Agriculture, we have the

president, Mr. Don McCabe, and also farm policy researcher Mr. Ian Nokes with us this afternoon. We welcome you two gentlemen.

Mr. Ian Nokes: Thank you.

The Chair (Mr. Grant Crack): You have 10 minutes. Welcome, Mr. President.

Mr. Don McCabe: Thank you, Mr. Chairman. The Ontario Federation of Agriculture is pleased to be in attendance today before the committee on this particular bill, Bill 135. For the record, my name is Don McCabe. I currently serve as the president. Ian Nokes, the principal researcher in the area of energy, is accompanying me here today.

Two things that stand out in this act for the attention of the OFA is the issue of energy conservation and long-term energy planning. First of all, we need to set this in the context of the agri-food industry. Since it's your number one industry here in Ontario, generating $34 billion in GDP and employing 740,000 people, we feel very clearly, with good cause, that feeding families is the first priority for our 36,000 farmer members. For everybody in the room here, we also feel that you have a direct connection to this industry because everybody here eats. Local food is kind of important, and fortunately some of those other people out there will actually also have a job in this industry that helps pay for their food.

1530

The biggest issue, coming back to this bill again, then, is the fact that the agri-food sector has to have competitively priced energy. Prudent investments and smart, efficient regulations are critically important and will enable our agri-food sector to contribute even more to the Ontario economy.

With respect to Bill 135, we ask the committee to consider a motion—and I stress that that's staff wording, to "consider" a motion; I'm here to frigging demand a motion—to amend this bill to exempt agricultural buildings from the large building reporting requirements and to ensure stakeholder input remains a key part of the long-term energy plan consultation process.

To build on those points, there are a number of reasons why we make the request of exempting agricultural buildings from the large building reporting requirements:

(1) This would not deter from achieving the objectives under the reporting initiative. It is estimated that we have only 400 agriculture buildings that meet the 50,000-square-foot threshold where these reporting requirements would begin to apply, and these large agricultural buildings are quite unique.

(2) Benchmarking estimates derived from the reported statistics would be more robust with these unique agricultural buildings excluded because these buildings are mostly greenhouses where the atypical energy requirements would detract from the efforts to develop meaningful benchmarking estimates. Agricultural energy profiles are inherently different than warehouse, manufacturing or retail sectors. Therefore, including agricultural buildings would fly in the face of Sesame Street, where one is not like the others, and this would skew your benchmarking results.

(3) Public disclosure of proprietary business information poses a significant risk to agricultural exports. Energy is a significant contributor to food production costs. Releasing cost figures puts Canadian agricultural exporters at risk of US anti-dumping investigations. Anti-dumping is pursued when US producers believe exported products are sold below cost. The release of any cost data would prompt such a charge. The expense farmers would incur to defend themselves during such an investigation would be significant.

(4) The collection of the energy reporting data that Bill 135 would enable may prove useful when measuring Ontario's performance towards our greenhouse gas reduction targets. However, agriculture is not a regulated sector under the cap-and-trade carbon pricing mechanism being designed for Ontario. Therefore, exempting agricultural buildings from the large building reporting requirements will not impact Ontario's performance measurement and would enhance an opportunity for protocol development for a sector that is not under the cap-and-trade regulation, and therefore lead to the opportunities of protocol development in that area.

(5) We appreciate that mandatory reporting may lead to voluntary conservation and demand management efforts on the part of business owners who were previously unaware of their building's energy usage. Given energy is a significant contributor to greenhouse food production, we know farm building owners are aware of their energy costs. This extends to the poultry industry, it extends to the swine production industry and it extends into various other industries. Depending on how this definition of square feet comes up, you could pull those others in. In fact, best management practices have been developed and implemented related to energy conservation and demand management, and statistics show the agriculture sector, in general, has far exceeded the norm in terms of already adopting conservation measures. Climate impacts agriculture more than any other industry, and climate change poses a real threat to food production and our food security. Our members are already focused on conservation and demand management. When you buy at retail and sell at wholesale and pay the trucking both ways, you're looking for cost reduction.

The OFA position remains that exempting farm buildings from mandatory reporting is the best policy option. Simply put, the costs of forcing 400 farm properties to report far outweigh the benefits.

The second area: Ensuring that stakeholder input remains a key part of the long-term energy plan consultation process.

Bill 135 effectively removes stakeholder input from the long-term energy plan consultation process and transfers any remaining independent objectivity from the OEB and the IESO to the Ministry of Energy. OFA remains concerned that focusing control within the ministry marks a critical watershed for governance and raises concern whether any public concerns with Bill 135 will be considered.

Ian and I will be pleased to address any questions of the standing committee at this time. Thank you for the opportunity.

The Chair (Mr. Grant Crack): Thank you, Mr. President. We shall start the line of questioning from the official opposition. Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much, Don and Ian, for joining us today. I appreciate your presentation, and I must say that I share your concerns.

When this bill was being drafted, prior to its being tabled in the House, were you people consulted on this piece of legislation and how it might impact you?

Mr. Don McCabe: I was actually made aware of this legislation through a colleague; it was coming through the city of Toronto at that time. Then, I believe the Ministry of Energy picked up the work from the city of Toronto and chose to go to the province. Some overtures have been made to address some of our concerns, but we're here today to hammer the spike home.

Mr. John Yakabuski: But prior to its drafting, were you consulted, or is this since?

Mr. Don McCabe: No.

Mr. John Yakabuski: No. Okay. So since it's happened, you've had some conversations.

Mr. Don McCabe: Yes.

Mr. John Yakabuski: Have they appeared to be amenable to some of your suggestions?

Mr. Don McCabe: Not in writing.

Mr. John Yakabuski: Okay. Look: You employ 740,000 people in the province of Ontario; you should have a seat at the table.

I appreciate the logic of your requests. With all due respect, barns are not places where people live. They're not the easiest buildings to make energy efficient, from the point of view of insulation or other types of things. They're a working model—opened and closed all the time. There's really not a lot to be gained by—what did you say, 400?

Mr. Don McCabe: Four hundred buildings, and we're referring to—

Mr. John Yakabuski: Four hundred buildings that would qualify in the whole province of Ontario under this act. We recognize that, and we appreciate you bringing that to the committee.

I'm also concerned about the planning aspect, and I'll turn it over to my colleague Mr. McDonell.

Mr. Jim McDonell: We see this, again, as just the work to gather this information; I believe the average farmer is already up to over a month of collection of data now. These are single-input buildings typically, and nobody is more concerned with the price of energy, especially under the escalating costs under this government, because your energy costs are now much higher than who you're competing with. Costs are a great reason to have people review their energy and look for savings. Generating a whole bunch of information doesn't do a lot more than what you have today. Any comment on that?

Mr. Don McCabe: I would say that, as we see it now, with the approvals that have gone through the Ontario Energy Board and by the time everything is enacted, electricity in downtown Toronto will be at 12 cents a kilowatt; in rural Ontario, it will be at 20. At 13, I can go to Princess Auto, get a real nice diesel generator, make sure it stays full and go off the grid. That's to nobody's benefit, because that's going to leave costs behind and other measures.

It also does not induce opportunities for us to make further investments in other ways of looking at conservation and connecting things, like the dire need for natural gas infrastructure in this province. We can generate electrons or we can put that natural gas back in the pipe and move it down the road for heating. That would also eliminate some other electrical costs for those who are using high-priced hydro to stay warm.

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At the end of the day, we definitively need to see some kind of bending in this curve and some kind of realization that rural Ontario essentially paid for 16% of Hydro One's infrastructure through different measures, and we need to get back to the basics of squaring the books.

Mr. Jim McDonell: Good point—

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

Interjection.

Mr. John Yakabuski: Thank you very much.

The Chair (Mr. Grant Crack): I appreciate it. I gave you an extra minute, gentlemen.

Mr. Tabuns.

Mr. Peter Tabuns: Don, Ian, thank you very much for being here today.

I was going to go to the policy questions. I want to go to this item that you just mentioned. At 13 cents a kilowatt hour, it's cost-effective to go to a diesel generator?

Mr. Don McCabe: That's the math we've done.

Mr. Peter Tabuns: Boy, that changes a lot of things, doesn't it? And your projection is 20 cents a kilowatt hour, delivered, in rural Ontario?

Mr. Don McCabe: Yes, sir.

Mr. Peter Tabuns: As of when?

Mr. Don McCabe: When all the current things that are in place, and they get done with all the soft increases that have currently been approved—I think we're looking at 2017 or 2018, by the time all that's in place.

Mr. Peter Tabuns: That's interesting.

Going back to the long-term energy plan and consultation process, what's your worry if, effectively, the OEB hearings are cut out of this process?

Mr. Don McCabe: I'm going to back in history for a few moments. The Ontario Federation of Agriculture was a supporter of the Green Energy Act, to allow diversification of farm income in rural Ontario through generating electrons. Through that exercise, we've seen biomass pretty well ignored in that process because the price wasn't high enough to invoke that particular opportunity. So the issue of green energy is not a large driver in the overall energy profile of this province, but it has certainly

allowed a great number of our farmer members to participate through microFIT or other methodologies.

The issue of having the keeper of the secret chalice and the promoter of the actual plan being one and the same doesn't really work too well, unless you're a benevolent dictatorship. So I'm not terribly impressed.

Mr. Peter Tabuns: There's a scarcity.

Do you think that this plan would allow us to avoid things like the gas plant scandal?

Mr. Don McCabe: That's a good opportunity for a long book, but I'm not prepared to offer an opinion today until I write it.

Mr. Peter Tabuns: Thank you for your time.

The Chair (Mr. Grant Crack): We'll move to the government. Mr. Delaney.

Mr. Bob Delaney: I read your brief. Outside the agricultural building sector, do you believe that the large building energy- and water-reporting benchmarking—in other words, not including your sector—would be a useful tool to better manage energy usage?

Mr. Don McCabe: I'm here to consult on behalf of 36,000 farmer members and not necessarily stick my nose into other people's business. I can offer that I've had the opportunity to serve on the Ministry of the Environment and Climate Change committee, and we see buildings and transportation as two large sources of greenhouse gas emissions. Data is important, and I'm sure that those folks will have data to figure out how to minimize their impacts as they move forward. I would prefer to think that we would allow cap-and-trade to be able to illustrate its value in bringing protocols forward that would allow all sectors to harness innovation to deal with their own in-house concerns.

Again, I'm not speaking on behalf of those sectors, but I would prefer to see us do this through a more voluntary approach than a regulated one.

Mr. Bob Delaney: Let's go to your sector, then. Which is the larger energy driver in agricultural buildings: the efficiency of the building itself or the processes running within the building?

Mr. Don McCabe: Yes.

Laughter.

Mr. Don McCabe: The short answer is yes, and I'm not trying to be sarcastic, sir.

Our industry is tremendously diverse. The efficiency of dairy operations and the time of using silo unloaders is moving to bunkers and other methodologies to minimize cost and increase moving that feed efficiency across the board, so it would require a much more detailed definition of efficiencies and whatever else. At the end of the day, the reality is, we see increasing costs; we do not see that necessarily in our competition from across the crick in the US, and we cannot afford, in any way, shape or form, to give them an opportunity to go to a court of law and cause us grief.

Mr. Bob Delaney: Is it common practice for building owners in the agricultural sector to track their energy use?

Mr. Don McCabe: Yes, sir, because the reality is that the larger you get, the more efficiencies you're looking to deal with. As I mentioned earlier and repeat quite openly here again, we buy at retail, we sell it wholesale, we don't get to set the price and Walmart wants to, and they're going to shove things down through sustainability chains that include energy, that include greenhouse gas matrices, that include water, that include a lot of definitions that are, frankly, stupid.

Mr. Bob Delaney: You've identified the sector of buildings that number some 400 across Ontario. Do agricultural building owners of any size track data, either through OFA or any other entity, on a common measurement basis to enable farmers or building owners to benchmark the buildings and/or the processes within them?

Mr. Don McCabe: The OFA does not collect any data from our members directly because they're independent business people who will collect the data that they require for their business. When you have a province that is as rich and as diverse as ours, with 200 different commodities, energy is a common theme on the way through, but the issue for, say, animal production—you've got horses and cattle that need to be inside very little and outside a lot, especially even in this weather, whereas smaller animals—with a baby chick that doesn't have feathers until 10 days old, you need to keep it as warm as possible. So we look at each commodity as doing its own job as efficiently as possible to maintain the cheapest food basket in the world, and you've got it.

The Chair (Mr. Grant Crack): Thank you, gentlemen, for coming this afternoon. We are going to take a five-or-so-minute break, as our next delegation is not here. We have four left. So enjoy your five or so minutes.

The committee recessed from 1548 to 1557.

WATAYNIKANEYAP POWER

The Chair (Mr. Grant Crack): Okay, I'll call the meeting back to order. I hope everyone enjoyed their break. We're back on schedule, almost right on time.

I'd like to welcome Wataynikaneyap Power. We have Margaret Kenequanash, the chair, and Mr. Scott Hawkes, who is president and secretary. If there is anyone else who would like to come forward, feel free.

Welcome, Ms. Kenequanash. You have 10 minutes this time instead of five, and we look forward to your presentation. Welcome.

Ms. Margaret Kenequanash: Thank you. I will sit this way so I can see. When it's red, I guess it means I can speak?

Ms. Daiene Vernile: You're on.

Ms. Margaret Kenequanash: I'm on now? Okay.

Good afternoon, and thank you for providing us the opportunity to present to you today. My name is Margaret Kenequanash and I am chair of Wataynikaneyap Power.

I was pleased to appear to the committee a few months ago on Bill 112. Again, we are pleased to be back before you, to support Bill 135 and the tools it provides to

enable the provincial government to expedite essential transmission projects.

Joining me is Scott Hawkes. He is a board director of Wataynikaneyap Power, and vice-president, corporate services; general counsel and corporate secretary with FortisOntario.

Together with our partners, FortisOntario and RES Canada, Wataynikaneyap—which means "line that brings light" in Anishiniiniimowin, named by our elders—is already a groundbreaking achievement. Never before have 20 First Nations come together under one company with private sector partners, on the premise of First Nations leadership and 100% First Nations ownership.

The goal of Wataynikaneyap Power is to connect remote First Nation communities in northwest Ontario that are presently on dirty, antiquated and unreliable diesel generation. Achieving grid connection for our communities should be a no-brainer in a 21st-century society, but over the years we have been constrained by a lack of consensus, lack of focus and too much red tape.

Bill 135 will help to change that. Under section 7 of the bill, the Minister of Energy would be given the authority to direct the IESO to consult with aboriginal and other peoples on electricity projects. That is a good thing. Too often, our land has been used against our wishes or without the proper involvement of our First Nations. Decisions made by parties far removed from our homelands have not only taken away economic opportunity that is our inheritance, but those decisions often fail to account for how our communities will be affected by infrastructure development—who will benefit and how our peoples' lives will change as a result.

Bill 135 will also, under section 28.6.1, enable the Minister of Energy, upon approval by cabinet, to direct the IESO "to take such steps as are specified in the directive relating to the construction, expansion or reenforcement of transmission systems." This is very important. Transmission projects can be complicated exercises, with multiple layers of approvals required. Enabling the government to expedite transmission projects is essential.

For our communities, the lack of suitable power supply in remote First Nations is a crisis. In the spring of last year, there were 10 remote First Nations communities in Ontario that were at capacity and six independent power authorities on connection restrictions as a result of diesel generators approaching capacity. The situation is even worse this year, with mild temperatures reducing ice roads that are needed to transport in fuel for our electricity systems. With these restrictions in place, our communities cannot connect new homes or develop new community infrastructure or pursue economic development opportunities. As a result, the power supply crisis is exacerbating already poor living conditions and compromising the basic need for shelter, water and food for the community members, particularly elderly and children.

While there are some diesel generation upgrade projects in development, these projects are extremely expensive and usually take years of planning and approvals. Even then, continued use of diesel generation to power First Nations communities is financially unsustainable, environmentally risky and inadequate to meet our communities' needs. Expediting transmission solutions to address these challenges is essential. Section 28 of Bill 135 will help with this.

We also appreciate that focus is needed when it comes to transmission projects affecting a large number of communities. Twenty First Nations coming together under one company to seize the opportunity to improve the lives of our families is an unprecedented achievement. Section 97.2 of the bill will help to provide the clarity needed on the development of transmission facilities—but focusing efforts of the IESO and the Ontario Energy Board on transmitters moving forward on key transmission projects.

We appreciate that the bill gives the government broad authority to mandate the planning and procurement of transmission facilities. We support this. But we also believe that projects benefiting primarily First Nations communities should be guided by those First Nations. In our case, the communities that would benefit by getting off of diesel generation should be directly involved in the planning, development and ownership of these facilities. This is non-negotiable.

Speaking as an indigenous person, the support and mandate of this project is premised on ownership. The overall vision of our indigenous peoples to own a major infrastructure such as Wataynikaneyap Power is a catalyst to control our destiny and change the landscape of how we do business in the north. No major development will take place without meaningful involvement and consent of our people.

Wataynikaneyap intends to develop, own and operate new transmission facilities that will connect remote First Nations communities to the grid. Earlier this year, we obtained a transmission licence to do this from the Ontario Energy Board. Now is the time for this project to move forward.

First Nations are no longer passive parties. With our partners, we believe that real progress can be made in the near term, should Bill 135 pass—when Bill 135 passes—and provided that the province continues to support the transmission connecting our First Nations communities.

With that conclusion, I will now ask my partner, Scott, to make a few comments.

Mr. Scott Hawkes: Thank you, Margaret. Good afternoon. My name is Scott Hawkes. I am the vice-president of FortisOntario and also president and secretary of Wataynikaneyap Power.

FortisOntario is very excited to be a partner, along with RES Canada, with the 20 First Nations that are part of Wataynikaneyap Power. Just for clarification, Wataynikaneyap Power is majority-owned by First Nations. Our company is proud to have been involved in hydroelectric generation, distribution and transmission of electricity in Ontario for over 100 years. The work that Margaret and her colleagues have achieved to date is indeed incredible, and we are collectively excited at the

opportunities presented to modernize and significantly improve power in northern Ontario.

Wataynikaneyap's goal is to provide reliable and accessible power to residents and businesses in northwest Ontario. But it is also to help tap into the tremendous natural resource potential of the far north. The approach to the project is in two phases—one project, two phases. Phase 1: a new 300-kilometre, 230 kV transmission line to Pickle Lake. The existing line is more than 70 years old and is prone to frequent and long-lasting outages. Phase 2: 1,500 kilometres of 115 kV and lower voltage transmission lines to connect 16 First Nations north of Pickle Lake and Red Lake.

According to PricewaterhouseCoopers, building and operating transmission to these communities is expected to save $1 billion, compared to continued diesel generation over a 30-year period. In addition, the Wataynikaneyap Transmission Project is estimated to create 769 to 1,000 jobs during construction and over $900 million in social value in the form of things like improved health and reduced CO_2 emissions.

The connection of remote communities has been identified as a priority in Ontario's Long-Term Energy Plan, strongly supported by the fact that this project would in turn lead to the connection of remote communities. It only makes sense that First Nations communities own, control and benefit from development in their homelands.

Clearly, this is a major undertaking, but one with immeasurable benefits. Passing Bill 135 will help to achieve this outcome by hopefully streamlining the process of moving forward with this project.

In closing, we wish to thank you again for the opportunity to present to the committee and voice our support for the bill's passage. We're happy to answer any questions you may have.

The Chair (Mr. Grant Crack): Thank you very much. We shall start with the government side. Ms. Vernile.

Ms. Daiene Vernile: Thank you very much, Scott and Margaret, for coming here today and telling us about your lived experiences of generating power, mainly with diesel, in the north. Those of us who live in the south flick on the lights or turn on the TV set, and I think most people don't give much thought to how that power is being generated. But in the north, you're doing this with diesel.

Can you give us an understanding of what it's like to live with that kind of power, that that's what you depend on?

Ms. Margaret Kenequanash: With a diesel generator that is at capacity, it means there are frequent outages, or if there are a number of diesel generators at capacity—some people operate with 250, 400, maybe one megawatt. So this creates a problem, depending on the time or the length of the power outage, and depending on the season, if it's wintertime or not.

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In a community such as this, housing becomes an issue. The daily food, shelter and water become an issue because, if there's not enough power within the community, that gets compromised, especially for the elderly and the children. In the big picture, our communities that are at capacity have stunted growth. They cannot move forward on any economic or business opportunities that they would like to pursue.

One community where I can give you an example is Kasabonika Lake First Nation, where they could not build homes because of their diesel generators being at capacity. It meant that there were 42 families without homes. Some of those families had to live with each other in houses, and it's still causing a lot of problems for the community.

So it comes down to the basic need of each First Nation. Like I said, in the big picture, it affects the community infrastructure and community development that needs to take place. It takes years to plan. We started planning for this diesel generator to be replaced in Kasabonika in 2005, that I can remember, even prior to that. They recently got an approval, but that's only an interim measure, again. Those diesel generators probably have a lifespan of anywhere from 10 years plus, so they have to continue to be replaced.

Ms. Daiene Vernile: And what are you paying for the diesel, Margaret? What are you paying per kilowatt hour?

Ms. Margaret Kenequanash: For the independent power authorities, the ones that are not regulated, they are paying 25 cents per kilowatt, which is three times more than the regulated entities that are being looked after by Hydro One Remote Communities Inc. They pay the rest. That is regulated through the Ontario Energy Board.

Ms. Daiene Vernile: You say that you brought together 20 First Nations groups, and that's very impressive. How many people is that?

Ms. Margaret Kenequanash: Oh, boy. I think it's about 20,000 people. In the community?

Ms. Daiene Vernile: Yes.

Ms. Margaret Kenequanash: Yes. And I think that the population of each First Nation will range from 63 people in one community to about—the biggest one would be about 3,000 in one community.

Ms. Daiene Vernile: So if we were to hit the fast-forward button, and Bill 135 goes through, and you have the power that you're looking for, how do you see it transforming your communities?

Ms. Margaret Kenequanash: Well, I'm hoping that it will streamline the process because we've been at this for eight years. We've been studying this project to death. I'm hoping that certain key decisions and clear decisions will be made, that we become the proponent to move this project forward because our communities cannot wait another 10 years to connect their home communities, simply because of the situation that we're in. Otherwise, we're going to hit a crisis point and it's going to be a disaster for Ontario.

Ms. Daiene Vernile: Scott, can I ask you how you see electrical power—

The Chair (Mr. Grant Crack): Sorry.

Ms. Daiene Vernile: We'll talk later.

The Chair (Mr. Grant Crack): I gave you about a-minute-and-a-bit leniency. We'll move to the official opposition. Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much, Margaret and Scott, for joining us today from Wataynikaneyap—how do you say that?

Ms. Margaret Kenequanash: Wataynikaneyap.

Mr. John Yakabuski: Sounds good.

I'm totally in agreement about the need for First Nations to take ownership of their needs and be a part of the process and be fully integrated into the decisions that are made affecting them.

But I have to ask: Why the necessity to have the minister have the ultimate power? Do we not trust the experts at the IESO and the OEB to be able to make decisions that also support the need of First Nations to be fully integrated into those decisions? Why do we need to take the step of giving the minister the ability to ignore everything that has been detailed to him or her by the experts? Why do we need that?

Your problems could be solved by decisions, whether the minister has that pen or not. In fact, the process of building the line to Pickle Lake and then the feeder lines off to the 20 First Nations is already in play. I'm just questioning as to why we need, in Bill 135, that ultimate power in the hands of the minister, and to take it away from the experts who actually understand the electricity sector.

Ms. Margaret Kenequanash: I don't think it's going to take away from the electricity sector. The way I understand it—I've had a huge learning curve in understanding the very complex electricity system within Ontario. I've been looking at the various projects that have been recently approved by the government of Ontario, particularly the east-west tie. If we're going to go through the same process as the east-west tie, this project is dead. Our communities cannot wait that long for decisions to be made.

The other thing that is really kind of outside-of-the-box thinking is 100% ownership of this major transmission project by First Nations. There may not be existing regulations that would allow for that right now, so in order for us to enable that to happen, that is something we would like to see, and we've been working with the government of Ontario to make sure that those considerations are given, because we've been given specific directions by our leadership in terms of why they agreed to partner together to pursue this project.

From a regulatory standpoint, I understand there is a designation process under the Ontario Energy Board, and like I say, the only example I can give you is the east-west tie, and I don't think that is going to work in our favour.

Scott could probably answer that more from a regulatory perspective.

Mr. Scott Hawkes: I see the bill as an analogy of having a ship and saying, "Head north," as giving direction to that particular ship, but there's 1,800 kilometres of transmission line to be built. In terms of the cost recovery mechanisms, there's still regulation, and heavy regulation by the OEB in this regard. There is a fairly arduous task of applying for leave to construct, and during that process you will have to demonstrate what cost recovery mechanisms are in place for phase 1 and phase 2. We'll be referring to the transmission system code for determining cost responsibility. So I don't see those regulatory authorities having less influence, but I do see it streamlining the process and saying, "This is the ship that should head north."

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

Mr. Peter Tabuns: Ms. Kenequanash, Mr. Hawkes, thank you very much for appearing here this afternoon. Can you give me some sense of the scale of cost of this expansion of the system?

Ms. Margaret Kenequanash: The estimate we've been working with is $1.1 billion. That is to refurbish the line up to Pickle Lake, which is about 300 kilometres, and another 1,500 kilometres of total—is that total?

Mr. Scott Hawkes: It's about 250—

Ms. Margaret Kenequanash: It's about $1.1 billion for the whole thing.

Mr. Peter Tabuns: Okay.

Mr. Scott Hawkes: Those are pre-engineering costs. Those costs, as you get into the leave to construct, would have to be finalized and approved as you got your engineering finalized.

Mr. Peter Tabuns: Okay. It gives me some sense of the scale we're talking about. Just a ballpark; I know it's not down to the nickel.

Ms. Margaret Kenequanash: But when we did a business case to look at the existing diesel generators that the communities are currently on—if we continued with the status quo—the cost of continuing with the status quo would be about $1.5 billion; perhaps more, with the various other factors and assumptions that we've looked at in the business case.

So, in the long run, this is a win-win situation, not only for the Ontario government because of the economic side of things and also the situations within our communities and community infrastructure development—all those things we have to take a look at—but also with the federal government, which needs to come onside with this project and which is coming onside with this project, because when an emergency kicks in for these communities, it will be the federal government that will have to look at how they are going to handle the situation. We've been working with them on this also to bring them to the fold.

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

The Chair (Mr. Grant Crack): Thanks to both of you for coming down and sharing your project with us. We appreciate it.

Ms. Margaret Kenequanash: Thank you.

Mr. Scott Hawkes: Thank you.

TORONTO ATMOSPHERIC FUND

The Chair (Mr. Grant Crack): Next on the agenda, from the Toronto Atmospheric Fund, we have Bryan Purcell, who is the director of policy and programs. Welcome, sir. You have 10 minutes to make your presentation, followed by three minutes of questioning from each of the parties.

1620

Mr. Bryan Purcell: Thank you, Mr. Chair. As mentioned, my name is Bryan Purcell. I'm the director of policy and programs at the Toronto Atmospheric Fund.

The city of Toronto and the province of Ontario established TAF in 1991 to focus on reducing greenhouse gas emissions and air pollution. We invest in urban solutions to climate change through loans and grants for innovative projects as well as through the development of policies and programs to support transformative change.

I'm here today to speak specifically on the proposed amendments to the Green Energy Act which are included in Bill 135. These amendments are intended to enable the development of an energy benchmarking policy for large buildings in Ontario.

We've been an active supporter of energy benchmarking as a best practice in the real estate industry for about 10 years. Over the past two years, we've done extensive research and consultation to explore the potential benefits of a municipal or province-wide benchmarking policy. We believe that an energy benchmarking policy offers significant environmental and economic benefits, and can provide a critical foundation to enable the city and the province to achieve their long-term climate change mitigation goals.

In cities like Toronto, about half of the greenhouse gas emissions arise from energy use in buildings. The majority of this is from energy used to heat buildings and hot water, and then the balance comes from all sorts of other things: lighting, ventilation, air conditioning and various end uses. Achieving Toronto's and Ontario's ambitious climate change goals will require dramatically improving the energy efficiency of our buildings. We're making some progress, but not nearly enough.

Here in Toronto—the context that I know best—the total energy used in our buildings today is about the same as it was in 1990. The combined effect of all the city's policies and programs and the utility programs and the federal and provincial efforts has been just enough to offset the impact of all the new buildings that have gone up in the city. This is a real achievement, considering the tremendous growth that we have experienced in Toronto and other parts of the province over those 25 years or so, but it highlights that achieving our long-term climate goals requires realizing deep reductions in that energy use even as we continue growing our population and economy and therefore our building stock.

So what is an energy benchmarking policy? Simply put, it's a policy that requires large buildings to track and report on energy use and greenhouse gas emissions. It applies to buildings of a particular size and type, and creates a database of comparable data that can be used to track benchmark building performance and track the evolution of that performance over time.

Here in Ontario, we already have a successful benchmarking policy that applies to the broader public sector. It has been in place for some years. The proposed amendments would allow for the extension of that policy to other sectors, to be spelled out in future regulations.

Energy benchmarking policies is a powerful policy tool that has been successfully applied in jurisdictions around the world. We've seen a wave of this across North America recently, including in New York City, Boston, Philadelphia, Chicago, Atlanta, Seattle, San Francisco and then the entire states of Washington and California. So it's not a novel or a radical idea.

While most of these policies are a bit too new to have a real evaluation of their impacts, New York City's policy has been around for five years, approximately. A recent evaluation by the US Department of Energy of the policy's impact found that over its first four years, it contributed to achieving a cumulative total of $267 million in energy cost savings, while helping to generate over 7,000 person-years of employment.

We've all heard the old adage that you can't manage what you don't measure. Benchmarking goes a bit beyond measurement to include comparison to other buildings. As one US real estate professional put it to me memorably, people play differently when someone starts keeping score. Simply providing building operators with reliable information about their performance relative to their peers has been demonstrated to stimulate significant improvements in performance over time. We've seen that with voluntary programs here in Ontario and around the world, and we've seen that in the early days of policies that have been rolled out in many jurisdictions.

Studies in Toronto and other cities show that the worst-performing buildings typically use about five times more energy per square foot than the best-performing buildings in that real estate class. You can imagine that when building owners and operators hear that their energy costs may be five times higher than their competitors, they're motivated to find out why and to take action to improve their performance.

Additionally, making energy performance data available strengthens market incentives as well for improvement in building performance. As building operators begin thinking more about how improving their energy performance and reducing their carbon footprint could improve their building valuation or help attract and retain high-quality tenants, it creates new market incentives that help us address the problem.

We've been exploring this policy with the city of Toronto for some time, and some of the research they've commissioned found that a benchmarking policy, just in the city of Toronto, had the potential to support emissions reductions of three million tonnes cumulatively over the next 20 years, making a meaningful contribution to our climate targets. The same research found potential for $1.9 billion in cumulative energy savings over the same period, making the city a more affordable place to

live and operate a business. Finally, the policy was found to have the potential to support up to 10,000 person-years of employment cumulatively by 2035.

How does energy efficiency and benchmarking support job creation? There are three ways, to keep it simple. First, people are employed directly to plan and implement capital improvements and operational improvements in buildings, as people get exposed to their performance information and are motivated to take action. Second, these efficiency projects indirectly support a broader ecosystem of economic actors: manufacturers, distributors etc. Third, the dollars that were being wasted on energy and utilities are redirected towards more productive and labour-intensive sectors of the economy, supporting new jobs in various areas.

But while benchmarking policies can create substantial reductions in energy use and emissions in their own right, I feel that in the long term their greatest strength is as a foundation for the development of smarter policies and programs to help us address our climate change challenge. Over the next generation, we need to reduce the carbon footprint of our buildings by 80%. This is a monumental challenge and it's compounded by a lack of information about how the building stock performs currently and how that changes across time and space. Regionally, in different sectors of the economy, we don't have a clear picture at any level of government. So it truly is something like trying to drive with a blindfold as we try to move toward our long-term greenhouse gas reduction targets and the transformation to a low-carbon economy.

An energy benchmarking policy will create a comprehensive database of building energy use information that will be of critical use to policy-makers at all levels of government—municipal, provincial and federal—as well as utilities, researchers and other stakeholders. It will allow us to develop 21st-century conservation programs and policies which are evidence-based and address the real challenges of specific regions, real estate sectors and building types.

It will provide unprecedented ability to evaluate program and policy effectiveness over time so we can continually improve the way we respond to this problem based on real data. It will allow us to map energy data geographically at a neighbourhood scale to assess opportunities for district energy systems or other neighbourhood-scale sustainability solutions, which will become more important as we move along this journey to a low-carbon economy.

We've been working closely with the city over the past two years on research and stakeholder consultation on this type of policy, and when we became aware that the province was considering rolling out this type of policy at a province-wide level, staff at the city and the ministry quickly began collaborating on that stakeholder consultation. I want to say that the staff at the city and at the Ministry of Energy have done a tremendous job engaging and consulting with stakeholders from various sectors, including the real estate sector, but also utilities and many other sectors as well.

There were a number of public forums held in major cities around the province, and the overall response from stakeholders was quite positive; I was surprised at how positive it was. One key point that we heard, though, was that real estate stakeholders strongly preferred that a policy be implemented at the provincial level rather than at municipal levels, because many of them, of course, hold real estate holdings across municipal boundaries and they felt that they could gain most by a consistent policy that applied to their whole portfolio. That would make it simpler for them to manage compliance and make best use of the data,

We really encourage the province to move forward with that type of policy, and we're encouraged to see it as part of the package of legislative updates to the Green Energy Act that are part of Bill 135.

The Chair (Mr. Grant Crack): Very good, sir. Thank you very much. We shall start the line of questioning from the official opposition. Mr. McDonell.

Mr. Jim McDonell: Thank you for coming out today.

You've had a chance to review different programs in some of the larger cities like New York. Any recommendations, or does anybody have a better system than the others, that we'd have a chance to review what's going on and learn from them?

1630

Mr. Bryan Purcell: Yes, that's a great point. We have the benefit of being able to learn from the experiences of many other cities and states that have implemented this kind of policy. I think we have learned some critical lessons, looking at those experiences.

One of the first was to implement it in stages, starting with the largest buildings, which is something I know that the ministry staff has been considering. That allows us to make sure that we have the systems in place to collect and use the data properly, and also starting with a smaller subset of buildings that have really sophisticated management capability to comply, and then we can improve over time.

Another thing we've heard was that we need a grace year. We learned from the other jurisdictions where the data is held privately and not shared broadly for the first year after compliance. That gives building owners a chance to address their performance if they wish to, and also to screen out any bad data that might be in the system.

We heard a lot, too, about the need for various data quality controls like periodic auditing of a sample of the buildings or data verification to make sure that we're getting good data.

The biggest thing that I think we learned was that this works best when we can—at least eventually—achieve automated data uploading directly from the utilities, at the customers' request, to the benchmarking program that is specified. That eliminates human error and makes compliance that much easier for building operators. I think there is some view in the ministry towards ensuring that we get there, within a few years, with our utility partners.

Mr. Jim McDonell: We've spent something over $1 billion on these smart meters, but they seem, right now—again, last week, I had somebody come in. We're having huge issues on the ability for the utility to actually go in and see if the power is even shut off. It's not there.

Is there technology that we're looking at that would produce this information? Would it require replacing this somewhat expensive system that we've put in place?

Mr. Bryan Purcell: I'm pleased to say that implementing this won't require any changes to metering technology that's currently in place because it's not intended to collect real-time data. That's the big difference.

Any time you're looking for real-time data, you need sophisticated metering, and then you can run into some issues, of course. There's a learning curve. But this relies on the same data that is used for billing purposes by the utilities: the existing data from existing meters.

Generally speaking, there's no need for new metering technology. The one challenge we have is that some large buildings have multiple meters: for example, suite-metered condominium buildings. The province has no intent, I believe, to collect those meters individually. So utilities need a process to aggregate that data to a whole-building level, so that building owners can understand what their entire building uses, rather than individual meters within that building. That's critical.

We worked with Toronto Hydro to explore their ability to do that. They're pretty well there. I think that can be solved with the other utilities. It's basically a data-management exercise to aggregate buildings with the same address that have multiple meters to just one number so that that this data can be reported to the building owner without any privacy issues relating to individual accounts.

The Chair (Mr. Grant Crack): Thank you very much. I appreciate it. Mr. Tabuns?

Mr. Peter Tabuns: Mr. Purcell, thank you again for being here today. You mentioned earlier that there is an incentive factor that propels building owners to increase their efficiency performance when you have this kind of benchmarking. I think you mentioned this before, but just for clarity: What impact does that have on the percentage of energy consumption?

Mr. Bryan Purcell: Right; great question. We've seen a range of data. Generally speaking, the number that we find is that regular, ongoing participation in a benchmarking process generates about a 2%-to-3% annual improvement in energy performance. That varies a bit. We expect that, over time, it will taper off when people had been doing that for a long period of time. Then it becomes a way of maintaining that energy performance.

It's a small average improvement in performance, but the key is that it gets implemented across an entire building stock or a very large number of buildings, achieving pretty significant results.

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

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

We'll go to the government. Ms. Vernile.

Ms. Daiene Vernile: Thanks very much, Bryan, for coming in and sharing this information with us. I think it's a very ambitious goal that the Toronto Atmospheric Fund has set a target of an 80% reduction in greenhouse gas emissions by 2050. You should be commended for that.

We talk about large buildings. We know that, in Ontario, large buildings are generating 19% of the greenhouse gas emissions measured in 2013.

I love your adage that, "You can't manage what you don't measure, and when you keep score, you play the game a lot differently."

We're asking building managers and owners to report and disclose voluntarily. Is that enough, to do it on a volunteer basis?

Mr. Bryan Purcell: That's a good question. We've looked at the success of voluntary programs around the world, and the general trend we've found is that they max out at about 15% to 20% of the building stock that they're targeting. That's the best that you can really hope to get through a voluntary program. So I think the intent, or at least the subject of consultation from the ministry and the city, has been to have a mandatory program. One of the reasons we think that is necessary is that we just don't think it's possible to get beyond about 15% to 20% of buildings participating through a voluntary program. They are also difficult to sustain over time because they're usually driven by non-profit organizations that cannot budget for that on a continuing basis.

Ms. Daiene Vernile: Building managers may say to you, "We like the idea of investing in our building and making it more energy efficient, but what's that going to cost?" But when you spend the money, you see the results later on, don't you?

Mr. Bryan Purcell: Absolutely. In several ways, we've been financing energy-efficiency projects and buildings in Toronto and beyond for many years. I've always earned a reasonable rate of return on those investments, along with benefits for the building owners we work with. Beyond that, with market conditions as they are today, every $1 you can reduce utility costs in a commercial building—other things being equal—gives you $10 to $15 of additional building value. So even if building owners are thinking to sell their property before they realize a payback from energy savings, it's almost a stronger business case because of the improvement in asset value.

Ms. Daiene Vernile: This might be a difficult question, but, for a typical building, if you do invest to make it energy efficient, how quickly do you see your payback?

Mr. Bryan Purcell: It depends on the level of ambition that you take with the project. What we invest in usually is projects that try to achieve a 20% to 30% improvement in energy performance and reduction in greenhouse gas emissions. We usually see a payback in the range of seven to 10 years with that type of project.

Of course, buildings that target very specific things—low-hanging fruit—can achieve very quick paybacks,

sometimes within a year. Lighting, for example, has a very quick payback. For those who want to go very ambitious and get a 50% reduction, you're maybe looking at closer to a 15- or 20-year payback. So it really ranges on the level of ambition that you have with improving your performance.

Ms. Daiene Vernile: With a lot of buildings it's not so much that they don't want to do it, it's what the cost is, right?

Mr. Bryan Purcell: Absolutely. One of the reasons we've focused a lot on financing, to make sure that those who want to move forward can access funds from investors to implement these projects, is because, if they'll pay for themselves and the financing costs, then a lack of financial resources from the building owner shouldn't be a barrier to participating. We do financing ourselves, but we've also helped the city of Toronto to establish a financing program for the rental apartment sector that provides financing for energy retrofits that's linked to the property tax system. They repay through the property taxes over up to 20 years. We've worked to help other municipalities launch similar programs. We hope to see that happen.

Ms. Daiene Vernile: So save money and save the environment.

Mr. Bryan Purcell: Absolutely.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate you, Mr. Purcell, coming before committee this afternoon and sharing your insight.

Mr. Bryan Purcell: My pleasure. Thank you for your time and attention.

The Chair (Mr. Grant Crack): You're welcome.

NISHNAWBE ASKI NATION

The Chair (Mr. Grant Crack): Next, from the Nishnawbe Aski Nation, we have Derek Fox, who's the Deputy Grand Chief, who I understand travelled from Thunder Bay, I believe. Is that correct, sir?

Deputy Grand Chief Derek Fox: Yes. I just got here, too. I was cutting it close.

The Chair (Mr. Grant Crack): I see that. We don't even give you time to breathe.

We welcome you here this afternoon. If you want to introduce the other gentleman with you, as well, when you start.

Mr. Don Huff: I'm Don Huff. I was the fill-in if he didn't get here within 10 minutes.

1640

Deputy Grand Chief Derek Fox: I thought you would know Don Huff. He's well known in these parts.

The Chair (Mr. Grant Crack): We welcome you both. You have 10 minutes.

Deputy Grand Chief Derek Fox: Good afternoon. My name is Derek Fox. I'm the deputy grand chief of Nishnawbe Aski Nation. I'm currently in charge of the energy portfolio, among other portfolio areas. I'm here today to present NAN's position on Bill 135. I've got some notes here that I've prepared. My understanding is that Wataynikaneyap had presented earlier, so I'll try to keep my points out of conflict with my friend Margaret.

Just a bit of background on myself: I'm from Bearskin Lake First Nation, which is one of our First Nations in the remote north. Some of my background is in law—I'm a practising lawyer—but I'm also from the First Nation itself and I'm very connected to our land and our lakes, our rivers, our streams—our resources. I'm saying that I'm very passionate about our environment and this whole concept of energy.

I'm going to proceed with my speaking notes here. I'll start off with NAN's mandate. We represent 49 of the 133 First Nations in Ontario. Our territory covers two thirds of Ontario's geography, from the Manitoba border to the James Bay coast. Thirty-two of our 49 communities are remote. They do not have road access and they are not connected to the grid. The majority are powered by expensive and high-risk diesel generation. The diesel fuel is either flown in or transported by ice road, with significant costs and environmental risk.

We talk about climate change. In our territory, it's real. The north is warming and ice roads are melting—winter roads. What was once a reliable lifeline is under direct threat. For example, the winter road was once a reliable infrastructure. I think it used to run anywhere from eight to 10 weeks. It's a lifeline. We bring our housing parts through. I think this year it's going to be about three to four weeks at the most. I think they just started using the winter road. I think it started before December and it would run to mid-March or the end of March. I think they just started using them, except, this past weekend, heavy transports couldn't use the roads. That's just an example.

With respect to energy, NAN's position is that the unique nature of our territory's remoteness justifies a separate negotiations table with the Ontario round table, as NAN First Nations and their energy groups' progress cannot be impeded by an all-Ontario approach.

NAN First Nations want to accelerate their energy initiatives. We cannot wait for an Ontario-wide process to kick-start. It is the position of NAN First Nations that they will own and operate energy infrastructure assets—Wataynikaneyap, for example. NAN First Nations can invite external companies to be their partners where appropriate.

Finally, NAN First Nations assert that Ontario must provide NAN and NAN First Nations with sufficient resources and core funding to work collaboratively in planning, developing, owning and operating their energy projects.

With respect to Bill 135, it must be stressed that NAN is unique in its demography and remoteness. As I said earlier, we've been impeded by an all-Ontario approach. We require the means for direct input in the regional component of Ontario's Long-Term Energy Plan. Accordingly, we require guaranteed core funding to provide and retain technical expertise.

Also, the revised role of the Minister of Energy as outlined in Bill 135 is an important acknowledgement that

decisions regarding energy in Ontario are not simply based upon technical assessments. Bill 135 is a clear recognition that energy has far-reaching political, economic, social and environmental impacts, all of which are critical to NAN and the 49 First Nations it represents.

Bill 135 clearly establishes the requirement to consult with the First Nations of NAN and, in acknowledging that First Nations must be consulted, that we must be an active participant and beneficiary of Ontario's energy industry.

Just a few points. Point 1, the revised role of the Minister of Energy: Placing the Minister of Energy at the centre of all major policy and program decisions regarding Ontario's electrical industry is recognition that these decisions have far-ranging impacts on Ontario communities and First Nations located within Ontario.

NAN respects the past efforts of the various agencies who have worked to provide a comprehensive technical assessment of Ontario's energy marketplace. The technical efforts of the agencies, however, have fallen short in addressing the broad socioeconomic and environmental concerns brought forward by NAN and its member First Nations.

NAN recognizes that technical information is a requirement. However, Bill 135 is a clear acknowledgement that the broader concerns can only be captured within a political context.

Point 2, consultation with First Nations: Bill 135 sets out the requirement for consultation with First Nations. The process as to how this requirement is to be fulfilled must be established. The consultation process for the long-term energy plan, regional planning initiatives by the IESO, and other energy-related initiatives are part of the discussion.

Overall, what must be considered is that NAN and its member First Nations are not simply to be consulted, merely providing input into the process. Due to the recognized political nature of energy, we must also be the authors of the plan for Ontario's energy future.

Point 3, active participant and funding: The consultation process must not be limited to planning considerations. It must encompass how NAN First Nations will be active participants—owners—of energy infrastructure projects and the delivery of energy programs.

Energy has wide-ranging impacts on NAN First Nations, from climate change to the impact of high electricity bills. The importance of energy projects goes well beyond that of providing an essential service. Energy is big business. It provides business opportunities for the utilization of NAN's resources. As with other resources, NAN First Nations must benefit.

In conclusion, in the simplest language possible, we want to be co-authors of a regional energy plan with the Ministry of Energy, and we require the resources to do so. We are asking for guaranteed multi-year funding to participate in the regional planning process.

Earlier this year, I sent a letter to the Minister of Energy requesting that we meet to discuss many of these issues. I look forward to having a productive discussion with him.

That ends my formal presentation. There are just a few points that I wanted to raise here.

NAN is requesting that, for additional clarity to the commitments made in respect to consultation, our two governments meet to formalize the process for:

—effective consultation and meaningful input by NAN First Nations into the long-term energy plan to ensure that NAN resources, specifically those related to generation, are effectively incorporated;

—clearly determining the lead role of NAN First Nations in the regional planning initiative. NAN's interests encompass the social, economic and environmental aspects of the planning process, which go well beyond the relatively simple technical planning aspects; and

—ensuring that any program or infrastructure development in NAN territory is undertaken by NAN First Nations, individually or collectively.

1650

Just to finish off, I want to give a real issue that I came across two weeks ago. In one of our remote communities of Sandy Lake, we had our school shut down for two days because of the winter roads. The diesel could not be delivered to run the school.

I talked about climate change. It may not be so real in Toronto or the south, but it's real in NAN, and it's affecting everything.

Meegwetch. Thank you.

The Chair (Mr. Grant Crack): Meegwetch. Yes, thank you. We'll start with the third party. Mr. Tabuns.

Mr. Peter Tabuns: Mr. Fox, thanks for making the time and the effort to come down here today. Can you outline for me how you see concretely this process of co-authoring regional energy, your electricity plans, between NAN and the Ministry of Energy?

Deputy Grand Chief Derek Fox: We have resolutions that outline NAN's mandate. One of those resolutions would start with a chiefs' committee on energy, a table. What NAN sees is this chiefs' committee giving the direction and working with whoever may be the Ontario government to actually start this process.

Mr. Peter Tabuns: You're thinking about an electricity planning process far beyond this line to Pickle Lake, and then the extension of lines to other communities. Is that correct?

Deputy Grand Chief Derek Fox: NAN supports all these energy developments. I think you're thinking of certain projects going on within NAN territory. Of course, NAN supports those.

Mr. Peter Tabuns: Yes.

Deputy Grand Chief Derek Fox: Yes, and of course, NAN supports those. We're just a bit different, although we work together. Yes, we support the energy projects going on within the NAN territory.

Mr. Peter Tabuns: Okay. Those are all my questions for today. Thank you very much.

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

Ms. Ann Hoggarth: Thank you, Deputy Grand Chief Fox, for coming down all this way to make your presentation. You are very enthusiastic about this, and I can tell, by the things that you've told us, how important this bill is to you. I would like to know what elements of this bill are most important to your communities that are part of NAN.

Interjection.

Deputy Grand Chief Derek Fox: My friend here says that regional planning is the most important point of the bill.

Ms. Ann Hoggarth: Quite often, when we're here in Toronto, where it is such an urban centre, we forget about some areas of the province where there are not that many people. For instance, I live in Barrie, which is just an hour and a half up the road. It used to be an hour. I'm considered, in my caucus, to be a rural community, which I think is quite funny.

When you come and tell us about your remote communities of Sandy Lake and Pickle Lake and those places—you're dealing with a whole different ballgame. I think your points have been listened to, and we'll take that back to the government. Thank you very much.

The Chair (Mr. Grant Crack): We shall move to the official opposition. Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much, Derek, for joining us today, and the effort you made to get here. You might have flown from Thunder Bay, but I'm sure there was a long trek getting to Thunder Bay before you embarked on your trip here.

I'm going to take basically the same route that I did with Wataynikaneyap Power. Earlier today, they had a similar presentation about the things that are important to them—

Deputy Grand Chief Derek Fox: I've got it right here, actually.

Mr. John Yakabuski: Pardon me?

Deputy Grand Chief Derek Fox: I've got it right here, yes.

Mr. John Yakabuski: Yes—with regard to the duty to consult, the requirement to consult First Nations, and we fully support that. You brought in the issue of funding, which is not an issue of the bill, but yes, if you're going to be part of the planning, you've got to have the funding to be able to participate in that. You can't do that without having some funding; we understand that.

But when it comes to the planning, I do have to ask about the section of the bill that gives the minister such unfettered powers. We've heard from other presenters today voicing great concern with that absolute power that would rest with the minister. I understand how the First Nations want to streamline the process and feel that this might be advantageous, but a minister who has absolute power can also make decisions that are not in your favour. Is that a fair point?

Deputy Grand Chief Derek Fox: Yes, of course.

Mr. John Yakabuski: So is it not more advantageous to have the energy professionals—the IESO, the OEB—determine how we expand and advance energy transmission in this province, to make sure that First Nations are not left out, as they have been for so long?

Deputy Grand Chief Derek Fox: I wouldn't say it's more advantageous. I think we support the minister having those powers, but it could go either way. With these groups of professionals, a whole host of professionals, that could also go against the First Nations.

Mr. John Yakabuski: Oh, I understand—

Deputy Grand Chief Derek Fox: Yes. So there's no clear answer as to what's more advantageous.

Mr. John Yakabuski: The only thing is, with that group of professionals, they have to be able to defend their decisions based on data and analysis, whereas the minister can make it—

Deputy Grand Chief Derek Fox: I would assume that the minister is being provided that data and analysis also.

Mr. John Yakabuski: Then don't you think he should be required to follow the recommendations of the data, as opposed to being able to completely ignore it?

Deputy Grand Chief Derek Fox: I sure hope he would not ignore it.

Mr. John Yakabuski: Okay. I appreciate your feedback. Let's hope that at the end of the day, whatever we get is in the best interests of everyone, and especially for you people up in the remote north, who don't have the same luxuries as we have down here.

The Chair (Mr. Grant Crack): Thank you, Deputy Grand Chief Fox—and Mr. Huff, is it, I believe? We welcomed you. Glad that you were able to make it down, Deputy Grand Chief. We thank you for your presentation this afternoon. Have a good afternoon.

SOCIETY OF ENERGY PROFESSIONALS

The Chair (Mr. Grant Crack): Last on the agenda, but highly important, we have the Society of Energy Professionals here with us. I believe we have the president, Mr. Scott Travers. Whichever seat you would like, sir. Usually it's the centre one; we put you at the centre of attention.

We welcome you this afternoon. You have 10 minutes to present to committee. The floor is yours.

Mr. Scott Travers: Thank you. Just let me get my clock. I'm Scott Travers, president of the Society of Energy Professionals.

The Society of Energy Professionals represents more than 7,000 professional employees who work throughout the Ontario electricity system for employers which include Ontario Power Generation, Hydro One, Bruce Power, the Ontario Independent Electricity System Operator, the Ontario Energy Board, Toronto Hydro and the Electrical Safety Authority. The members we represent work in a wide variety of occupations, such as engineering, economics, auditing, accounting, system planning, information systems management, as well as many other professional, administrative and associated occupations. On behalf of the society, I extend our gratitude to the standing committee to be able to be here today to provide feedback on Bill 135.

To be able to ensure that Ontario maintains the energy system's integrity over the span of decades requires a technical plan that emphasizes evidence-based planning, multi-stakeholder input and transparent decision-making. As history has shown, when we get the energy planning process right, Ontario's sizable investment in infrastructure pays dividends in Ontarians' quality of life, our environmental health and economic well-being. However, we also know that if the government fails to get planning issues right, the results can be very costly, resulting in wasted time, wasted effort and wasted public money.

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In 2004, the Liberal government brought into play Bill 100, the Electricity Restructuring Act, which, as the Honourable Dwight Duncan, then Minister of Energy, stated, was aimed at "concrete action to put the energy sector back on a solid footing after years of mismanagement and political interference by previous governments." My colleagues and I believed at that time, as we believe now, that the integrated power system planning regime instituted by the Liberal government through Bill 100 was sound, well designed and built on acknowledged best practices in electricity sector planning. In fact, we've been vocal on that position for several years now and, as you may be aware, we have spent considerable time at Queen's Park doing education and lobbying around the importance of evidence-based planning. We've been advocating that the government follow the currently legislated process.

The IPSP process allows government to exercise its rightful responsibility to set the goals and parameters for system planning that reflect the priorities of Ontarians with respect to important parameters such as reliability, cost, environmental sustainability, and economic and social impacts. Then, through robust public consultations and regulatory hearings, the IPSP capitalizes on the knowledge of system experts as well as industry and public stakeholders, generating a depoliticized plan which achieves the government's stated policy goals with a maximum of efficiency, cost-effectiveness and social licence.

The ultimate strength of the IPSP process lies in its use of the Ontario Energy Board hearing process to allow a full vetting of the plan in an open, transparent and participatory venue. It is natural and, in fact, desirable that complex and contested issues such as electricity system planning should attract competing visions, approaches and interests.

The open nature of the OEB processes allows industry stakeholders, consumer and ratepayer representatives, community and specific interest groups, as well as members of the general public, to make comment or participate as interveners. They may introduce their own evidence, seek to have plan proponents provide additional evidence, challenge evidence which has been presented by others, and make arguments based on evidence that's in the record. All of this happens in open proceedings and all of it becomes part of the public record.

These steps are essential to good planning and are completely lacking in the processes proposed under Bill 135. In fact, they've been lacking for several years now, which is what prompted the society to come to Queen's Park to speak on planning in the electricity sector.

It was also something that recently came to the attention of the Auditor General. The 2015 annual report of the Office of the Auditor General of Ontario included an in-depth review and audit of the electricity system planning process in Ontario. The Auditor General found that "over the last decade, this power system planning process has essentially broken down, and Ontario's energy system has not had a technical plan in place for the last 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."

Moreover, the AG said of the current ad-hoc long-term planning process, which is essentially equivalent to the process being proposed in Bill 135: "We found that this plan was still not sufficient for addressing Ontario power system's needs and for protecting electricity consumers' interests."

Bill 135 seeks to make fundamental changes to the planning process, including eliminating the requirement for the IESO to develop an IPSP—or a technical plan, as the AG refers to it—vesting such planning authority in the Minister of Energy. At the same time, the Bill 135 approach would reduce the mandatory oversight role of the OEB to a simple review of the capital costs of implementation. The society believes that the proposed alterations to the planning process would severely hamper the political independence and effectiveness of the electricity system planning process and oversight in a way detrimental to the public good.

In essence, Bill 135 seeks to enshrine in legislation a planning process which has been found severely wanting. It is the opinion of the society that the effect of Bill 135, as written, is inherently incompatible with complying with system planning best practices and with the recommendation of the Auditor General's report with respect to the system planning process.

Bill 135 would amend the Electricity Act to give the Minister of Energy, rather than the IESO, the responsibility for developing a long-term energy plan. The IESO's role in developing the long-term energy plan would be to provide technical reports on the adequacy and reliability of electricity resources in respect of anticipated electricity supply, capacity, storage, reliability and demand. There is, however, no requirement that the technical reports consider different alternatives and include "cost/benefit analyses during the planning process to assess the potential impact of a decision on electricity consumers and the power system." These were recommendations made by the Auditor General. Under Bill 135, the minister will merely need to consider the technical reports in developing the long-term energy plan and is free to develop plans which are inconsistent with the objective technical data.

The mandate of the OEB with respect to the IPSP is to ensure that it conforms with stated goals of the government and is economically prudent and cost-effective. It performs this function by holding hearings which are open to participation from experts representing a wide variety of public stakeholder groups. Stakeholders are empowered to request clarification, interrogate and challenge questionable facts and assumptions, or introduce evidence of their own. The OEB currently has the ability, independent of the government, to refer a plan back to the IESO for revision if they deem that it fails to adhere to the government's publicly stated goals, if it is technically insufficient or if it fails to meet tests of economic prudence. In this way, the OEB hearings are the apolitical crucible in which the merits of a long-term system plan are tested. Removing the OEB from this role would mean that there would be no public forum or regulatory decision-making body to vet the technical and economic soundness of the energy plan.

The minister will also be empowered to issue directives to the IESO and to the Ontario Energy Board setting out requirements for the implementation of a long-term energy plan for each entity. The IESO and the OEB would then need to submit plans back to the Minister of Energy for approval. The role of both bodies is thus reduced to implementing the unilaterally developed, untested plan of the government of the day, be it Liberal, NDP or Conservative. In short, the proposed process lacks transparency, accountability and non-partisan oversight.

In conclusion, it is the opinion of the Society of Energy Professionals that the proposed planning process in Bill 135 is inferior to the current IPSP process as outlined in the legislation, and there is no evidence whatsoever to suggest that the IPSP process will not serve the people of Ontario well if it is followed.

Thank you, Mr. Chair.

The Chair (Mr. Grant Crack): Thank you very much for your presentation. We'll start with the official opposition. Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much, Scott, for joining us today.

It would seem, and not unexpectedly, coming from the professional side of the equation, that your concerns are with the second part of Bill 135. I just want to get your viewpoint on the economics. Clearly, it costs a lot more to deliver transmission to people where I live than it does in the city of Toronto, and the farther away you go, the economics become less viable. But that has never stopped them from putting power to much of Ontario.

However, in the case of First Nations, it's even broader. As Margaret said earlier, she represents, I believe, about 20,000 members of First Nations in 20 different First Nations communities, but the area is vast, and Mr. Fox's would even be more vast.

There must be some way that the economics can be justified based on the need, without the minister having to be able to have ultimate power and say, "It doesn't matter what the analysis is. We're doing it or we're not going to do it." There must be some judgment or latitude available; otherwise, we would never have gotten power to half this province.

Even without that ministerial power, do you think it would be an impediment—would that be an impediment to getting power up to First Nations by building transmission as opposed to diesel generators?

Mr. Scott Travers: Thank you for the question, and, no, I don't think there would be an impediment in the IPSP process to that. As I said, a fundamental part of the IPSP process, at the very beginning of it, is that it is the role of the government, through the ministry, to set the broad policy parameters, so that would be where that would happen. They can outline the priorities and trade-offs that are appropriate to be made through the planning process. It's not purely technical and it's not a purely low-cost outcome that is anticipated from the plan, but in fact, it's meeting the objectives as set out in the most economic way.

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That's when they do it, at the front end against the objectives, and if the plan that is produced by the IESO doesn't meet the stated objectives, then the OEB actually has the authority to send it back to the IESO and say, "But you failed to meet the objective of providing reliable power to these regions, so you need to rework your plan."

Mr. John Yakabuski: Okay. Thank you very much. I appreciate that.

The Chair (Mr. Grant Crack): Mr. Tabuns?

Mr. Peter Tabuns: Scott, thank you very much for coming and presenting today. You've made a very strong argument in your presentation. What do you think the risk is to Ontario's electricity system should we move forward with what has been proposed in Bill 135?

Mr. Scott Travers: There's quite a bit of risk, actually. There's risk of failure to vet the plan against the objectives. In Bill 135, the problem would be that you still state objectives at the beginning, then you ask for technical input, but no one actually tests that the plan that ends up being produced is the most economic, reliable, efficient way to meet the objectives. There's no oversight. There's no testing of the plan.

There's also a loss of public licence, which is another very important part of running a robust, public, transparent process. There's a tremendous danger, actually, in delays and lack of support for a plan that is produced in isolation by a ministry, which could then lead to further delays in implementation of the plan. There are issues with whether or not the plan is the best way to achieve the objectives and whether or not, in fact, it's taking all the technical input into account.

Actually, an additional problem with the process under Bill 135 is that there's no public record of what input has been given to the ministry. There's no opportunity to vet that input, so stakeholders could be giving erroneous information to the ministry. There's no opportunity for other stakeholders to challenge the veracity of that information, nor do we know what the ministry does with the information. There's a potential danger that the ministry would use incorrect information from stake-

holders when putting together the plan, because there has never been an opportunity to see what the input is or to test its validity.

Again, these are all things that are covered under the IPSP process. The danger is that you'll have an ineffective way of meeting the objectives, possibly based on inappropriate information, and there's no public licence; because nothing is on the record, there's no transparency.

Mr. Peter Tabuns: Okay. Thank you very much. That's pretty thorough.

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

Mr. Bob Delaney: Thanks for coming in, Scott. I'd like to ask you a series of what I hope are clarification questions, just to make sure I understand what it is you're suggesting. As I go through the questions, we'll try to keep them as concise as possible.

Looking at the current Integrated Power System Plan, do you think it's just about right, too slow or too fast?

Mr. Scott Travers: I think it's just about right. It is a plan that looks about 20 to 30 years down the road with many billions of dollars of investment. The problem is that we've never actually finished the cycle. For clarification: The first time you do an IPSP process, it will take a great deal of time. Through the years, revisions will actually be much quicker.

Mr. Bob Delaney: Again, looking at the current IPSP process: Is it responsive or unresponsive?

Mr. Scott Travers: It's responsive.

Mr. Bob Delaney: Okay. In your opinion, is the IESO the proper institution for implementing policies set out in the long-term energy plan?

Mr. Scott Travers: Sorry, could I ask for some clarification on that?

Mr. Bob Delaney: Once the plan is complete, is the IESO the proper institution to implement those policies as set out in the plan?

Mr. Scott Travers: They would take steerage of—yes, they would.

Mr. Bob Delaney: Okay. What should be the role for the OEB in facilitating the implementation of the plan's objectives?

Mr. Scott Travers: The OEB would ensure that the plan, as produced, meets the objectives. The OEB would reject the plan and send it back for rework, if, based on all the evidence, it doesn't meet the objectives as set out by the ministry. Then, the ministry would direct the IESO and other agencies to implement the plan. That could lead to things going back to the OEB through rate hearings, if that's what you're getting at.

Mr. Bob Delaney: In the 2013 long-term energy plan, in which I was involved—I know that that was the biggest effort and the largest consultation process in the ministry's history. Among the things that happened there, of course, were the posting of the discussion document on the Environmental Registry, 12 regional sessions, a lot of round table groups with stakeholders, open houses, 10 aboriginal sessions, and something like 7,800 questionnaire responses. Was there anything in there that was missing?

Mr. Scott Travers: Absolutely. For one thing, stakeholders never had the chance to challenge each other's input, to ask each other questions. There was no technical testing of the stakeholders' input, for example, as would be outlined through the IPSP process.

Mr. Bob Delaney: Okay. Bill 135, as written, would—how am I doing on time, Chair?

The Chair (Mr. Grant Crack): Last question.

Mr. Bob Delaney: Okay. Bill 135 would formalize the framework that was developed and tested in the last two long-term energy plans. What was your organization's experience in participating in the last two long-term energy plans and do you think there are some improvements in there?

Mr. Scott Travers: Our organization did participate through the stakeholder forums in the last two plans. I think there's tremendous room for improvement, and, as we stated, we don't believe the process actually met the standards. Certainly, the Auditor General agrees with us. Relative to an IPSP process, it lacked transparency, it lacked the ability to test the veracity of the input, and it lacked a test of the plan back to the objectives.

Mr. Bob Delaney: Okay. Thank you very much for your thoughts.

The Chair (Mr. Grant Crack): Thank you, Mr. Travers, for your input from the society this afternoon.

I'd like to thank all of those who presented this afternoon—groups and individuals—and thank the members of the committee for doing such great work on this particular bill. Thanks to the Clerk's office and Hansard and everybody.

Have a great evening. This meeting is adjourned.

The committee adjourned at 1718.

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