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**Official Report
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(Hansard)**

Wednesday 6 April 2016

**Journal
des débats
(Hansard)**

Mercredi 6 avril 2016

**Standing Committee on
General Government**

Climate Change Mitigation
and Low-carbon Economy
Act, 2016

**Comité permanent des
affaires gouvernementales**

Loi de 2016 sur l'atténuation
du changement climatique
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES**

Wednesday 6 April 2016

Mercredi 6 avril 2016

The committee met at 1601 in committee room 2.

ELECTION OF VICE-CHAIR

The Chair (Mr. Grant Crack): Okay. Good afternoon, everyone. I'd like to call the committee meeting to order. This is the Standing Committee on General Government, as you know—I'm sure that you're all aware. I'd like to welcome you all first, members of the public.

You're well aware that there have been some changes to the membership of the committee. At this point, I would ask if there are any nominations—we've lost Mr. Dickson—for the appointment of Vice-Chair? Ms. Malhi.

Ms. Harinder Malhi: I'd like to nominate Lou Rinaldi.

The Chair (Mr. Grant Crack): So you're moving the motion?

Ms. Harinder Malhi: Yes.

Mr. Arthur Potts: And I'm seconding that.

The Chair (Mr. Grant Crack): Okay. Ms. Malhi has moved that the Vice-Chair be MPP Lou Rinaldi. Is there any debate?

Mr. Peter Tabuns: None.

The Chair (Mr. Grant Crack): Are the members ready to vote? Then I shall call the question. Shall the motion carry?

Interjections.

The Chair (Mr. Grant Crack): Maybe I'd better do it by—all those that are in favour, please raise your hands. Any opposed? I declare the motion carried. I'd like to congratulate Mr. Rinaldi on being the Vice-Chair of this fine committee.

Mr. Lou Rinaldi: I guess I will not be late again.

The Chair (Mr. Grant Crack): No, that's correct. Congratulations, Mr. Rinaldi.

**CLIMATE CHANGE MITIGATION
AND LOW-CARBON ECONOMY
ACT, 2016**

**LOI DE 2016 SUR L'ATTÉNUATION
DU CHANGEMENT CLIMATIQUE
ET UNE ÉCONOMIE SOBRE EN CARBONE**

Consideration of the following bill:

Bill 172, An Act respecting greenhouse gas / Projet de loi 172, Loi concernant les gaz à effet de serre.

The Chair (Mr. Grant Crack): We'll continue to move. We've got a full agenda this afternoon, members of the committee. However, today is opposition day. There is a motion being debated in the House as we speak. We will lose some time as a result of that, so I would like to just present something to the committee for consideration: that we take the questioning down to, say, two minutes, to allow each and every one—

Mr. Peter Tabuns: Per party?

The Chair (Mr. Grant Crack): Per party, I mean, yes, which would be six, and/or there is risk that the last—

Interjections.

The Chair (Mr. Grant Crack): So which two would you like to do? How about we go two minutes and 30 seconds? I could try my best to—

Mr. Peter Tabuns: Two and a half minutes is fine.

The Chair (Mr. Grant Crack): Two and a half? Okay. Is there consensus that we move the questioning to two and a half minutes?

Mr. Peter Tabuns: Sure.

The Chair (Mr. Grant Crack): Okay, there's no opposition. We shall do that for this particular meeting. I thank the members of the committee. I'll do my best to time it.

**FINANCIAL ACCOUNTABILITY OFFICE
OF ONTARIO**

The Chair (Mr. Grant Crack): At this point, I would like to welcome the first delegation this afternoon: the Financial Accountability Officer for the Legislative Assembly, Mr. Stephen LeClair. We welcome you, sir. You have 10 minutes. I would request that everyone please stay within your 10 minutes.

Mr. Stephen LeClair: Good afternoon. Thank you for allowing me to comment on Bill 172, An Act respecting greenhouse gas. My name is Stephen LeClair. I am the Financial Accountability Officer of Ontario. For those who are not familiar with my role, I am an officer of the Legislative Assembly of Ontario, with a mandate to provide independent analysis to members of the Legislative Assembly on financial and economic matters of importance to the Legislature. The analysis that I provide is meant to aid the members of the Legislative Assembly in performance of their constitutional responsibilities to hold the government to account and scrutinize its activities.

The mandated responsibility to provide you independent analysis to help you perform your vital scrutiny function is why I have asked to speak today. The following comments will focus on section 68 of the proposed act, which, as drafted, may hinder my ability to provide you and your fellow members with information on the fiscal impacts of the act, as well as analysis of initiatives the government may implement consistent with the requirements of section 68 and schedule 1 of the act.

Subsection 68(1) establishes an account in the public accounts called the greenhouse gas reduction account. This account will record various revenues, notably the proceeds of the auction or sale of emission allowances conducted under the act. Although the revenues will be recorded in the account, they still form part of the province's Consolidated Revenue Fund, and will be revenues recorded on the income statement of the province in the same way as tax revenue or transfers from the federal government.

Subsection 68(2) allows expenditures to be charged to the greenhouse gas reduction account for various purposes, most importantly to pay for initiatives that are considered reasonably likely to reduce greenhouse gas emissions. The amounts charged to the account are paid out of the Consolidated Revenue Fund and, similar to revenues, expenses related to these charges are also part of the income statement of the province.

In budget 2016, the government estimated that in fiscal year 2017-18 the greenhouse gas reduction account would record \$1.9 billion in revenue, and \$1.9 billion in expenses would be charged against the account. If there is a year where revenues do not match expenses, then there will be an impact on the previously estimated surplus or deficit of the province.

That being said, there could be a case where even if revenues do match expenses, there could be an impact on the surplus or deficit of the province. This would occur if some of the expenses were not on new initiatives but were tied to previously planned expenses.

On March 3 of this year, my office released a commentary on the budget which, in determining the fiscal position of the province, took the government's numbers as a given. However, the commentary also noted it was unclear to what extent these new revenues will be directly tied to new program spending or can be used to fund existing spending commitments.

It is also not clear how the \$1.9 billion in revenue relates to the \$1.9 billion in expenses listed in the budget. If some of the proceeds taken in a given year are spent on capital initiatives, which are allowed under schedule 1, then \$1.9 billion in expenses will impose greater cash requirements on government than the \$1.9 billion in proceeds being taken in. This could mean an increase in government debt unless the projects are already included in the calculation of government borrowing requirements or are associated with already planned spending.

To determine whether or not this act will be fiscally neutral, I will need to have access to information on initiatives which may be funded in accordance with schedule 1 of the act.

I will also need information on the initiatives if I am asked by a member or a committee to undertake an analysis of the financial benefits and costs of any of the initiatives.

However, the act provides that expenditures for an initiative cannot be charged to the greenhouse gas reduction account unless the minister reviews the initiative, guided by a number of factors laid out in subsection 68(3) of the act, and provides his or her evaluation of the initiative to the Treasury Board. Since the Treasury Board is a committee of cabinet, the minister's evaluations of the proposed greenhouse gas reduction initiatives will, in all likelihood, be considered "cabinet records" for the purposes of the Freedom of Information and Protection of Privacy Act.

As Financial Accountability Officer, I have the power to access information held by ministries, which I need to perform my mandate of providing the Legislative Assembly with economic and financial analysis. My power to access information is subject to an exception which allows ministries to refuse my office access to cabinet records, including Treasury Board submissions. I am becoming increasingly concerned that ministries are claiming that too wide a range of government information falls under the cabinet records exception. I plan to speak to this issue and the ways in which I believe it might be addressed in my annual report, coming this July. I will look forward to speaking to you and your fellow members about my concerns surrounding cabinet confidentiality when the House returns this autumn.

In the meantime, I would like to highlight one of my particular areas of concern, which is relevant to subsection 68(3) of the proposed act. Even where ministries decide that a record is protected by cabinet confidentiality, the Freedom of Information and Protection of Privacy Act requires them to disclose "as much of the record as can reasonably be severed" from the cabinet confidential portions of the record.

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Responses to information requests that I have submitted to date seem to indicate that the way in which Treasury Board and cabinet submissions are structured often allow ministries to claim that it is impossible to sever any portions of the record and prevent its disclosure altogether. Should this be the case with the minister's evaluations of proposed greenhouse gas reduction initiatives prepared under subsection 68(3), I will likely be unable to access them.

Although it is true that subsections 68(6) and (7) of the act require the minister to report to the Legislative Assembly annually on initiatives funded out of the greenhouse gas reduction account, the text of those provisions suggests that the level of detail included in the annual report about each initiative will be much lower than what the minister will submit to the Treasury Board about the initiative for the purposes of subsection 68(3). I will need access to the additional details the minister considers in his or her evaluation of the initiatives in order to perform analyses concerning those initiatives.

Accordingly, I suggest that members consider the manner in which the minister might structure his or her evaluation of the initiatives for the Treasury Board in order to maximize the disclosure of those details. Members may wish to consider explicitly incorporating the requirement that the submissions be so structured in subsection 68(3). Members may also wish to consider whether the minister should be required to publish his or her reviews of initiatives approved by Treasury Board.

My office is undertaking a project on cap-and-trade and will be seeking clarity on some of these issues I have highlighted. At the moment, though, I once again thank you for the opportunity to speak to this bill and raise the concern I have with respect to the potential that the bill, as currently drafted, may affect my ability to provide information and analysis to members of the Legislative Assembly.

The Chair (Mr. Grant Crack): Thank you very much, Mr. LeClair. I appreciate that. We'll start with the official opposition: Ms. Thompson.

Ms. Lisa M. Thompson: Thank you for being here today and sharing your concerns. Certainly they reflect our concerns, as well.

But I want to talk about how many other jurisdictions are taking a different approach to a price on carbon. Do you feel that the money raised through cap-and-trade should be given back to taxpayers?

Mr. Stephen LeClair: My role here is to provide independent analysis on the bills that are before the government; it's not to weigh in on the policy decisions of government, so I'm not going to comment on that.

Ms. Lisa M. Thompson: Okay, fair enough.

Let's go back to section 68 of the bill, which allows the government to justify the use of the funds generated by cap-and-trade on virtually anything, with little to no transparency. You mentioned that you're going to share your concerns in your report that comes out in July. Is that correct?

Mr. Stephen LeClair: With respect to this act, no. What I'm doing in July is I will be, generally, in my annual report talking about concerns that I have with respect to access to information in general. It has been an issue that I've had with a number of information requests I've filed.

For this report, what I am respectfully suggesting is that members might want to consider making it so that in the legislation it explicitly recognizes that the submissions be structured so that certain information can be severed or, in addition, make it a requirement that any initiative approved by Treasury Board be publicly released.

Ms. Lisa M. Thompson: Okay, I appreciate that clarification very much.

When you take all things into consideration—and you do reflect on other jurisdictions and individuals in similar roles to yours—do you feel that they have greater access or easier access to information, compared to how it's set up right now?

Mr. Stephen LeClair: In Canada, the only other role similar to mine is the Parliamentary Budget Officer in

Ottawa, and we know the experience that office has had publicly.

I do not have the same access in Ontario as people such as the Auditor General and, I believe, the Environmental Commissioner have with respect to disclosure of cabinet information.

Ms. Lisa M. Thompson: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. I appreciate that. Mr. Tabuns for the third party.

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

I guess the first question here is about the cap-and-trade report that you're writing. When will that be available?

Mr. Stephen LeClair: Hopefully in the fall.

Mr. Peter Tabuns: Okay, not in time for us to use it for amendments.

Mr. Stephen LeClair: No, not in time. We haven't even submitted an information request on it to the ministries yet.

Mr. Peter Tabuns: Okay. If I understand you correctly—and maybe I misinterpreted your words—the way the funds are currently set up, as the money comes in from cap-and-trade revenue, if it's not expended then that actually would make the government's deficit number look better.

Mr. Stephen LeClair: Yes.

Mr. Peter Tabuns: So there might be an incentive for them to spend fairly little in 2017 until really, after June of 2018.

Mr. Stephen LeClair: I won't comment on incentives.

Mr. Peter Tabuns: If a government was interested in making its deficit numbers look better, it might slow down its revenue expenditures. Is that a fair comment?

Mr. Stephen LeClair: That's a choice of the government. I'm not going to comment on that.

Mr. Peter Tabuns: Fair enough.

You're suggesting that we amend the bill so that the public has access to the minister's review of any projects that are brought forward.

Mr. Stephen LeClair: Yes, because access to those reviews that will be brought forward—since they're going to the Treasury Board, I would expect that they would have the type of detail on the expenses related to the initiatives over a multi-year period that would help me identify whether they're new or previously planned expenditures.

Mr. Peter Tabuns: Do we have a hard copy of your comments?

Mr. Stephen LeClair: I want to apologize to the committee. It's my first time at committee and I should have brought some with me. We will make them available.

Mr. Peter Tabuns: Do you think you could make them available later this afternoon?

Mr. Stephen LeClair: I'm looking at the Clerk. Could I send you the stuff electronically and get them available quickly?

The Chair (Mr. Grant Crack): Yes, by 6 p.m. is fine.

Mr. Stephen LeClair: Okay.

Mr. Peter Tabuns: Okay, that would be great. And this question of access—as the law is written, you would be substantially excluded from getting access to these analyses; is that correct?

Mr. Stephen LeClair: I expect that would be the case because it explicitly states that the analyses of the initiatives go to the Treasury Board, and the Treasury Board is a cabinet committee. So far to date, my experience has been that anything that goes to a cabinet committee is considered a cabinet confidentiality by this government.

The Chair (Mr. Grant Crack): Okay, thank you very much.

Mr. Peter Tabuns: Thank you.

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

Mr. Arthur Potts: Thank you and welcome, Mr. LeClair. We're delighted to have you here and I appreciate your insights.

You commented that the greenhouse gas reduction account is in fact a dedicated account line item within the budget.

Mr. Stephen LeClair: A dedicated account—

Mr. Arthur Potts: For the proceeds.

Mr. Stephen LeClair: That has a specific meaning to it, and I wouldn't go that far.

Mr. Arthur Potts: All right. But in your analysis of the budget, you did mention that it's very clear that, within the budget and within the intentions of the bill—and, I'm assuming, within the bill itself—you're seeing that all the funds are legislatively required to go into that account and to be used in that account for greenhouse gas reduction projects.

Mr. Stephen LeClair: They're recorded in that account. They exist within the Consolidated Revenue Fund, but they're recorded in that account. Expenditures on initiatives in schedule 1 are recorded against the account.

Mr. Arthur Potts: So would that account have the same general force and effect of the Trillium Trust account that proceeds from asset sales would go into?

Mr. Stephen LeClair: I'm not positive about that. I'd have to follow up.

Mr. Arthur Potts: Because certainly that is our intention, that it would have and will have—so that it's very clear that anything that's raised through the greenhouse gas account—

Mr. Stephen LeClair: Yes, there are some issues with this account that I'm still not clear on. I hope to get that, because the legislation right now says “expenditures against the account.” In the budget, the government lists \$1.9 billion in proceeds, and they list \$1.9 billion in expenses.

If some of your expenditures are related to capital, they get expensed based upon some of the amortization rates of it, so it's not as large. I'm not exactly sure yet how the expenditures and the revenue are matched in this

account. That's something else I'm going to follow up on.

Mr. Arthur Potts: Thank you very much. I look forward to that follow-up.

Mr. Stephen LeClair: Thank you.

The Chair (Mr. Grant Crack): Thank you, Mr. LeClair, for coming before committee this afternoon; much appreciated.

REGISTERED NURSES' ASSOCIATION OF ONTARIO

The Chair (Mr. Grant Crack): Next, we have on the agenda the Registered Nurses' Association of Ontario. We have Kim Jarvi, senior economist, and Natalie Lapos—is she here with us as well?

Ms. Natalie Lapos: Yes.

The Chair (Mr. Grant Crack): Very good. We welcome you, Natalie. You have 10 minutes for your presentation.

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Ms. Natalie Lapos: My name is Natalie Lapos, and I am the co-chair of RNAO's Ontario Nurses for the Environment Interest Group. With me today is Kim Jarvi, senior economist for RNAO. As you may know, we are the professional association representing registered nurses, nurse practitioners and nursing students in Ontario.

RNAO welcomes this opportunity to speak on Ontario's carbon pricing legislation, Bill 172. Carbon pricing is the most important tool in the fight against climate change, which represents a very serious threat to the health of the planet and the viability of our civilization. RNAO members are concerned with the immediate and long-term effects of climate change.

The worst effects are in vulnerable areas like the Horn of Africa, but drastic climate change is already hitting Canada's Far North. Even southern Ontario has experienced dangerous and costly extreme weather events, in addition to the spread of vector-borne diseases such as West Nile virus and Lyme disease. Our members also know that climate mitigation efforts bring huge health co-benefits. For example, Ontario's air quality has improved sharply with the closure of the province's coal plants.

The scientific consensus is very strong. The planet is on an alarming trajectory, with carbon dioxide concentrations well over 400 parts per million from a level of 280 parts per million at the start of the Industrial Revolution. When lumped together, the concentration of greenhouse gases has risen over 60% over that time period. There is very little time to shift our ways in a more sustainable direction; however, Ontario is in a position to show strong leadership, as it has done with coal closures.

Bill 172 is the province's latest step towards carbon pricing. That step will be supported by actions in key sectors, such as improvements in the heating and cooling of buildings and the promotion of transit and active transportation. Safe bike lanes and walkways will bring

health benefits both by increasing physical activity and by reducing pollution by reducing automobile use. Revenue from the cap-and-trade program will help fund those actions. It is important that both the cap-and-trade program and the handling of the revenue be done well.

RNAO is on record as preferring a carbon tax on the grounds that it's simpler, cheaper to administer and more immune to manipulation and fraud, which have happened under cap-and-trade. But if a cap-and-trade program is sufficiently comprehensive and if it is properly planned and executed, it can still get the job done. Our recommendations seek to point the program in a direction that will mimic the positive features of a carbon-tax regime.

Mr. Kim Jarvi: I'm going to speak to the bill itself. It starts with a very strong preamble. It opens: "Human-induced climate change is real and impacts are being experienced around the globe." This is a very important statement. It goes on to cite the Paris agreement's aim at keeping warming under 1.5 degrees centigrade, which is a strong step and a very important step. It also makes a strong case for action to mitigate climate change. We're very pleased with the strength of that statement, but, of course, there's more to the bill than that, and that's what I'm going to speak to now.

First, I'm going to speak on the matter of targets. We're glad that the government put Ontario's greenhouse gas reduction targets into the bill. We're glad the bill would also empower cabinet to make those targets more ambitious. That's important. Ontario really has to lead. We call on the government to proceed with Bill 172, subject to our following recommendations:

First, with respect to the cap, the size of the cap is really important. We're asking to set the maximum number of emissions allowances with the goal of meeting or exceeding the carbon reduction targets, taking into account factors that will impact on Ontario's ability to meet those targets. We'd prefer that the cap does the heavy lifting, and that is, to use sufficient stringency so that the targets can be dealt with via the cap. Our full submission suggests specific language to amend subsection 29(2).

The next point is around interim targets. The bill provides for setting of interim targets, and we want those to be mandatory because, if you don't have immediate targets, it's really difficult to make progress, in our experience.

We have a comment on the initial cap that's set. We would like to see it be more ambitious than it is right now. It would allow the emissions to rise at a normal rate between now and 2017, and that just puts us a little bit further in the hole as far as meeting our targets is concerned.

There are a number of features in the program that we would like to speak to: first of all, the matter of offsets. A lot of the concern that has been raised around the bill has been about the use of offsets, where you purchase emissions reductions from somewhere else. The problem is that the further afield those offsets are purchased, the harder it is to control them. We'd ask to limit the use of

those offsets to no more than 8%, as proposed in other government documents, and strictly enforce the proposed requirements that they be real, additional, verifiable, validated, enforceable and permanent.

We'll speak also to the matter of linking. The proposal is to link to other jurisdictions where cap-and-trade is in place. California is one of those places. We want to be sure that you don't weaken Ontario's standards by linking to programs that are weaker than Ontario's. That could end up with a downward harmonization. We therefore recommend not counting out-of-province purchases of greenhouse gas permits towards Ontario's reduction targets.

There's a lot of concern about carbon leakage. That has to do with the competitiveness of Ontario firms versus other firms that aren't covered by carbon pricing. Ontario is proposing to give a blanket set of free allowances. We ask you not to do that. However, if you do distribute free allowances in the first compliance period, we ask that you (a) amend subsection 32 to include a clear and reasonable phase-out timeline, and (b) ensure that any free allowances that are allowed are targeted, transparent and temporary.

A better way to get at the problem of carbon leakage is to do border adjustments; that is, to impose prices on goods that come into the province to level the playing field for Ontario firms. That's a perfectly reasonable thing to do. I don't know how much language you could put in this bill, but Ontario should be pursuing this in all the opportunities available.

The speaker before me spoke about cap-and-trade revenues and the issue around transparency. That's one, I think, that really must be dealt with very carefully. To maximize the effectiveness of the fund and to sustain political support for carbon reduction, it must be managed in a transparent fashion with very strong oversight, including all of the duly constituted oversight bodies, like the accountability office.

One of the issues that we have to be concerned with is impacts on vulnerable communities. One of the most vulnerable is indigenous communities, who also have a very strong interest in climate change as they're disproportionately affected by it. Because many of their communities will disproportionately bear the cost of any cap-and-trade program, it's really, really important that they be full partners in the exercise. Bill 172 does acknowledge the importance of traditional ecological knowledge in 7(2). Our full submission offers language to strengthen the partnership with Ontario.

Finally, there's one thing we would like to add, and that's with respect to nuclear power. We oppose the refurbishment of existing nuclear power plants and the construction of new nuclear plants on the grounds of cost, safety and disposal of nuclear waste. We would urge the amendment of paragraph 1(1)1 of schedule 1 to ensure that there are no nuclear power projects, including nuclear refurbishments, that could be funded by the fund.

I want to thank the committee for giving us the opportunity to do this. We also want to thank you for taking two days on this very important undertaking.

1630

The Chair (Mr. Grant Crack): Thank you very much. You were within three seconds; much appreciated. We'll start with the third party: Mr. Tabuns.

Mr. Peter Tabuns: Thank you, Kim, Ms. Lapos. I appreciate your being here this afternoon.

Going to your recommendations, let's look at the border carbon adjustments first. One of the things in this bill is a requirement that electricity importers declare and account for the carbon emissions of the product that they bring into Ontario, given that we can be buying coal-fired power from Ohio in our imports. Would you support expansion of that responsibility for greenhouse gas emissions to other products coming into Ontario, say cement or steel?

Mr. Kim Jarvi: To the extent that Ontario can do that, that's exactly what we'd like to do, whether it would have to be done in partnership with the federal government, whatever. Our understanding is that the current trade agreements would allow this, and I think that we should move heaven and Earth to level the playing field for all Ontario producers.

Mr. Peter Tabuns: The greenhouse gas reduction account: You have a recommendation here that we maintain the GGRA as a special-purpose account. As you're well aware, the 2009 bill that was passed had a much more independent account than the one that's in this bill, so you're suggesting that we stay with the original design. Is that correct?

Mr. Kim Jarvi: Yes. We're not the first organization saying that, I'm sure.

Mr. Peter Tabuns: And what is your concern about using the definition that's in the bill as it is currently written?

Mr. Kim Jarvi: We want to make sure that all these funds are used for the purpose of climate change mitigation and to assist vulnerable communities. It's possible that they could be used for other purposes, with proper oversight.

Mr. Peter Tabuns: So the public interest is more strongly protected with the legislation that is on the books as opposed to what's proposed in this bill?

Mr. Kim Jarvi: The other point is that we aren't going to get to our targets just with the cap-and-trade, so we really need to be devoting any other resources to that push as well. All the complementary activity will require that money and more.

Mr. Peter Tabuns: In your recommendation 13, you ask for removal of the words "or indirectly" when it comes to the charges that could be made against this account. Could you speak more about why you're concerned about indirect charges?

Mr. Kim Jarvi: We just want to narrow the scope for expenses to ones that can be directly attributable to the program or to go in a cost-effective way to reduction of—

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

Mr. Peter Tabuns: Thank you.

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

Mr. Arthur Potts: Thank you both for being here. I appreciate very much your advocacy in this area and particularly in how your remarks focused on the health aspects of things that we've done already. It's your area of expertise. Certainly the respiratory issues associated with closing of coal-fired plants—we know that it has had an incredible benefit, and we've done it outside of the cap-and-trade program because, obviously, it was the right thing to do. I know that you are assured that coming out of the greenhouse gas account, we'll be doing a lot more projects which will have those kinds of health impacts and benefits to us.

You talked about the allowance issue and, again, I appreciate your interest. We want to do more but that may set the thing back a little bit because it is not as aggressive as we're going—I would just like to say that maybe politics is the art of doing the possible and sometimes to gain wider—we have to look at ways of protecting jobs, which is why, I think, that portion is in there. But we appreciate that you'd like to see us go even further.

What I want to maybe talk to you a bit about is the concept of nuclear power and your reluctance to have money spent on nuclear power. Almost 60% of our baseload is coming from this area. Would you want us to have those plants just disappear and find other sources? What is the reluctance to be using greenhouse gas reduction on clean energy?

Mr. Kim Jarvi: We're not proposing shutting down plants. We're just opposing investment in new plants or refurbishing old ones when they've reached their natural lifespan on the grounds of cost and risk from waste disposal.

Mr. Arthur Potts: Fair enough. I'd like to thank you very much.

Mr. Kim Jarvi: Okay.

The Chair (Mr. Grant Crack): Thank you very much, and we will move to the official opposition: Mr. McDonell.

Mr. Jim McDonell: Thank you for coming out today. You mentioned today your preference for a carbon tax versus cap-and-trade because of the simplicity. We have some concerns, and I'm just wondering if you would have some concerns over the measures in this bill and whether you believe there are enough regulations to promote the transparency and ensure that some of these costs are made—a huge amount of money is being accepted by this government, \$165,000. Later on, they seem to be paid back with huge purchases of hydro shares. Do you find that the regulation is tight enough to ensure that cap-and-trade will actually work?

Mr. Kim Jarvi: We've cited the concerns that other organizations like the Canadian Environmental Law Association had around ensuring that those funds are used for the intended purposes and that the public is satisfied that they are used for those purposes, which requires absolute transparency. So we proposed language

to tighten it up, including maintaining a purposed account.

Mr. Jim McDonell: You talk about offsets and that offsets must be “real, additional, verifiable, validated, enforceable and permanent.” What’s your ideal idea of an ideal offset that might be made?

Mr. Kim Jarvi: I would keep it to Ontario, really, because it’s a lot easier to verify. The thing is that you need ongoing verification, as well, because somebody might take some measure now but then rescind it in the future, and that’s very difficult to verify remotely.

You need very strict requirements around offsets. We would just as soon not have them but, for sure, we wouldn’t want them outside of this jurisdiction. If we’re going to allow it, we also think that it ought to be Ontario agents who are doing that—farmers or whatever.

The Chair (Mr. Grant Crack): Thank you very much. I appreciate it. Thank you to the two of you for coming before our committee this afternoon. We appreciate your remarks.

Mr. Kim Jarvi: Thank you.

CLEAN ENERGY CANADA

The Chair (Mr. Grant Crack): Next on the agenda we have Clean Energy Canada: Sarah Petrevan, senior policy adviser.

We welcome you this afternoon. You have 10 minutes for presentation, followed by two-and-a-half minutes of questioning from each party. Welcome.

Ms. Sarah Petrevan: I want to start out by apologizing to the members of the committee. I woke up this morning with no voice. But I assure you that this happens to me on a seasonal basis and that I can go for a number of days sounding like a Muppet.

Interjection: Here you go.

Ms. Sarah Petrevan: Thank you. Somebody just gave me some Halls. Don’t worry about exhausting the voice; I will be able to last.

Good afternoon, Mr. Chair and members of the committee. My name is Sarah Petrevan and I am a senior policy adviser for Clean Energy Canada. Clean Energy Canada is an initiative of the Centre for Dialogue at Simon Fraser University, and we work to accelerate Canada’s transition to clean and renewable energy systems. I’m based here in Ontario and I specialize in Ontario provincial policy.

I want to start off by saying that the risk of only focusing on cap-and-trade during the process is that it’s a relatively small part of a much more sizable climate action conversation. But to support the substance of the bill, I am going to begin my comments by talking a little bit about the cap-and-trade system.

Obviously, following closely on the heels of British Columbia, Alberta and Quebec, Ontario is amongst Canada’s leaders in developing a comprehensive carbon pricing system to control and reduce greenhouse gas emissions, and this is to be commended. Ontario is part of a group of provinces trying to increase their economic

competitiveness in a world increasingly committed to climate action.

However, I do think it’s worth noting that globally we are not so ahead of the pack. A report that my organization produced in 2015 noted there are now 39 national and 23 subnational jurisdictions that have either implemented or plan on implementing carbon pricing, and that’s nearly half of the world’s economy.

We at Clean Energy Canada like to say that “carbon pricing is the new normal.” With global economic giants such as China and California with systems well under way, that statement certainly rings true.

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While many organizations and individuals appearing before you over the last two days have likely chosen to focus their comments on specific elements of Bill 172, like those we’ve heard already today, I want to use my brief time before you to provide some overarching, meta-level comments. I think that they’re principles that need to guide this bill and the corresponding regulations and actions that will come of it.

My organization published two reports last year, one focusing on British Columbia and the other on Quebec. They focused on the inner machinations of how their carbon pricing systems came together. Three things became clear to us: Credibility, durability and stringency are paramount to a successful carbon pricing system and overall climate action plan.

By credibility, we mean a system that does what it says it is going to do: Reduce greenhouse gas emissions in an accountable, transparent way so that both industry and individuals can clearly see a system in action and that it is working.

Durability: in the sense that it lasts in a predictable, well-laid-out process that gives business and industry the information and the tools they need to plan over the long term. Businesses like to plan in cycles significantly longer than governments, choosing often to look 10 to 15 years out and sometimes more.

Finally, stringency: that the mechanism that drives emissions reductions—in a carbon-tax system, it’s the price; in a cap-and-trade system, it’s the cap—is strong, meaningful and actually produces emission reductions predictably over a period of time.

Take any of these away and a carbon pricing system doesn’t work. You don’t have to look much further than the failure of Europe’s emissions trading system to see that.

Generally speaking, Ontario has a well-designed cap-and-trade system. It has taken the lessons learned from other systems, including the failed ETS, and adopted the well-thought-out design guidelines of the Western Climate Initiative to govern its cap-and-trade program. We’d like to congratulate the province on this accomplishment and, of course, look forward to the program’s implementation.

Where there is opportunity for improvement, or perhaps greater detail, is the subject of what both Quebec and California refer to as their complementary measures,

those initiatives to reduce greenhouse gas emissions paid for by the revenues of the cap-and-trade program. In both jurisdictions, they refer to cap-and-trade—oh, wait, we may have a voice. Ha! There we go. Cap-and-trade is treated as a backstop system—whoa, I'm a totally different woman now—that makes other climate policies more robust. In California, complementary policies such as the low-carbon fuel standard and the renewable energy portfolio standard will realize 85% of their 2020 emissions reductions. Similarly, in Quebec, they laid out 30 priority projects expected to result in 6.1 of the estimated 11.7-megatonne reduction required to meet its targets.

I do want to say that Ontario is a different jurisdiction with a different emissions profile, and it is anticipated that this province can meet its 2020 targets through the implementation of the cap alone. But 2030 is not all that far away when it comes to climate action policies, and so cap-and-trade must be just one component of a much larger climate action strategy, one piece of a bigger puzzle.

I would like to echo some of the elements outlined in the submission to the committee from an organization called the Clean Economy Alliance, of which Clean Energy Canada is a part, specifically comments regarding the use of revenue and the greenhouse gas reduction account. To maintain credibility and durability, it's imperative that revenues be recycled into both achieving environmental and economic benefits for the province. Having a fund that transparently demonstrates what is being funded and the reductions it achieves is vital to public accountability and support.

To further highlight this, I'd reference a report released this morning by Canada's Ecofiscal Commission that offers thoughts on various different types of revenue recycling. While there are lots of options on how to recycle the revenue, the fact that there needs to be a well-thought-out, publicly available plan that changes with the needs of a jurisdiction is constant.

If I may share my organization's preference, the report suggests that an investment in clean technology would be a good move for Ontario, and I wholeheartedly agree. I'd be happy to discuss that opportunity further with any members of the committee at any time.

To conclude, Ontario has done a fair job at designing a cap-and-trade system, and now attention must be placed on the corresponding climate strategy. The province has made good first steps in terms of legislating climate reduction targets, establishing a greenhouse reduction account, and taking some steps towards public reporting, but there is definitely an opportunity to go further.

A published climate action plan, with a detailed investment plan on how to allocate and spend cap-and-trade revenues, would go a long way towards the maintenance of credibility, durability and stringency, as well as creating an environmental and economic plan for the province that partners GDP growth with emissions reductions.

Thank you for your time. If it suits the Chair, Clerk and the members of the committee, I'd be pleased to take any questions.

The Chair (Mr. Grant Crack): Well, thank you very much. I think a miracle was reached at five minutes and 10 seconds. I think you have a cure for laryngitis.

Ms. Sarah Petrean: I truncated my remarks on purpose.

The Chair (Mr. Grant Crack): Wonderful. We'll start with the government and Ms. McMahon.

Ms. Eleanor McMahon: Hi, Sarah. It's nice to see you.

Ms. Sarah Petrean: Hi. It's good to see you too.

Ms. Eleanor McMahon: Rest your voice a little bit.

Ms. Sarah Petrean: I'll be fine.

Ms. Eleanor McMahon: You mentioned during your presentation a kind offer that I'm going to take you up on: to expand a little bit about clean tech. From the perspective of Canada, if we look at the global environment and if we look at other jurisdictions as destinations for clean-tech investment, we know that China, the United States and Japan, just to mention a few—and India, which is now at about fifth place, I think—are increasingly destinations for clean tech. I wondered if you could expand a little bit about how Ontario needs to be part of that conversation and needs to be really developing that kind of capacity here, and how this kind of initiative will help us do that.

Ms. Sarah Petrean: Ontario really fits well with a clean technology framework, and not necessarily from the perspective of only being a taker. The province has made huge investments over time in terms of renewable energy. There is a wealth of expertise: companies, experts, and also colleges, universities and training and manufacturing expertise in this province.

That all being said, when you start looking at jurisdictions such as China and India, with more aggressive renewable energy targets than Ontario will or should ever have based on our electricity and power supply mix, needs, whatever, the benefit for Ontario companies starts being largely, when you look at China and India, an opportunity for export.

That all being said, no one is going to ever want to buy your product internationally if they don't see it in use in your own home jurisdiction. There are other opportunities that Ontario could do that would cost a relatively low-scale amount of dollars that you can look at doing to support Ontario companies and the Canadian clean energy technology industry. There are mechanisms such as procurement, commercialization and various other levers that you could pull that help to sort of support some of the clean technology companies that are here in Ontario.

Does that answer it?

Ms. Eleanor McMahon: Time, Mr. Chair? I'm good?

The Chair (Mr. Grant Crack): You have 13 seconds.

Ms. Eleanor McMahon: Okay. I will cede that. Thank you very much again for coming, Sarah. I appreciate it.

Ms. Sarah Petrean: No problem.

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

Ms. Lisa M. Thompson: Thank you for being here.

Ms. Sarah Petrean: No problem.

Ms. Lisa M. Thompson: I admire you, given everything you're dealing with today. You mentioned your ideal use of revenue generated by cap-and-trade and how you'd like to see it recycled into initiatives that are geared towards environmentalism as well as the reduction of emissions. In that light, worldwide, we have seen some cap-and-trade systems not work very well in terms of the reductions of emissions, all the while driving up the cost of living and doing business. I'm wondering, given your experience: Do you know or could you cite any cap-and-trade systems currently operating that have been effective in significantly reducing emissions?

Ms. Sarah Petrean: I mean, really, cap-and-trade is really just a specific type of market mechanism. Everybody basically knows how a tax works. A cap works differently in just the way where the environmental—you know all this.

Ms. Lisa M. Thompson: Yes.

Ms. Sarah Petrean: California is doing a pretty good job. Quebec is doing a pretty good job. Globally, a majority of the carbon pricing systems are through market mechanisms. It is very true that in early days, things did not go so well. I would offer that when you're looking at doing any sort of major, revolutionary type of policy, throughout history, we can look at a number of things that didn't go so well the first time that we tried them out.

I think that a lot of jurisdictions have learned from each other and that, generally speaking, it seems as though, through the Western Climate Initiative, a lot of jurisdictions have got together and started to work out the kinks. It is still, I will give you, early days for Quebec and California, but all signs coming out of their auctions and all of the reports coming out of the economists and people who are detailing those economies—people who have greater expertise in this area than I do—have said, “This actually looks like it's going to be okay. It looks pretty good.”

Ms. Lisa M. Thompson: Okay; interesting. We heard earlier some concerns around the lack of transparency. How would you improve the transparency, specifically around section 68? Is there anything, in your opinion, that should be tweaked to improve that?

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Ms. Sarah Petrean: So you're testing me on whether or not I remember specifically what sections need changes, but that's okay.

Look, I think when you're talking about long-term revenue investment plans and how you plan on spending the money, California has got a very clearly laid out, detailed, three-year plan: “This is what we're doing; this is how we're spending the money.”

I will be quite honest with you that Quebec didn't do that, and they had some challenges. Right? They had an

Auditor General go in and say, “We're not so sure about some of these contracts and some of the ways that you chose to allocate your money.”

I think that when you have a plan that clearly lays out what you want to do, when you're going to do it and the amount of emission reductions that you can achieve over the short and long term, that goes a long way to giving a system like this and the money that you spend from it credibility.

The Chair (Mr. Grant Crack): Final point, please.

Ms. Sarah Petrean: Sorry. That's it; that's all I'll say.

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

We'll move to Mr. Tabuns.

Mr. Peter Tabuns: Thank you very much for your presentation today. To tell you the truth, the one question I had is the one that was asked by Ms. Thompson about transparency. Do you have a written copy of your presentation?

Ms. Sarah Petrean: I do. I added a couple of words and changed it, but I'd be happy to give it to you.

Mr. Peter Tabuns: Yes. If you could give it to the Clerk, so it could be circulated, that'd be great.

Ms. Sarah Petrean: Yes, absolutely. No problem.

Mr. Peter Tabuns: Thank you very much.

Ms. Sarah Petrean: You're welcome.

The Chair (Mr. Grant Crack): Thank you very much, Ms. Petrean, for coming before committee this afternoon. Good luck with your voice.

Ms. Sarah Petrean: Thank you.

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

UNIFOR

The Chair (Mr. Grant Crack): Next on the agenda is Unifor. We have the Ontario regional director, Katha Fortier, and the director of strategic planning, Mr. Fred Wilson, with us this afternoon. We welcome you both. You have 10 minutes for your presentation.

Ms. Katha Fortier: Good afternoon. Thank you so much for the opportunity to discuss Bill 172, the Climate Change Mitigation and Low-carbon Economy Act. My name is Katha Fortier and I'm the Ontario director for Unifor. With me today is Fred Wilson. Fred is the director of strategic planning for Unifor.

Let me begin by emphasizing that Unifor is a social union that is strongly committed to addressing climate change. We are a national union, but here in Ontario we represent about 160,000 members who work in about 20 different sectors of the economy.

In our union, we speak of climate change as the inter-generational issue of our time. We participated in the Paris COP and we strongly supported the Paris agreement. It's now Canada's and Ontario's job to do our part in limiting global warming to 2 degrees and 1.5 degrees.

To the extent that Bill 172 affirms and achieves the emissions reductions that are set out, it has our support.

However, Bill 172 can be improved and that is what we would like to talk to you about today.

It should go without saying that if Ontario is going to carry through the transformations and transitions that climate action demands, it must have the support of working people who must believe that their jobs and the their communities have been protected and supported. In significant part, those working people are also Unifor members. Of the 150 large emitters listed on Ontario's reporting facilities database, more than 30—and actually probably more than 35—are workplaces where Unifor members earn their livelihoods.

From Tembec in Kapuskasing, to Chrysler and Ford in Windsor, to Invista in Kingston, to Domtar in Dryden, to the Victoria Hospital in London, to Shell and Cabot in Sarnia, to Enbridge and the airport here in the GTA, when we speak about “emissions-intensive” or “trade-exposed,” we're talking about thousands of Unifor members. We ask the MPPs to think about these workers and to ensure that this act and its regulations give us the tools to protect their jobs and to provide a just transition when the impact of climate change policy cannot be mitigated.

In the limited time we have today, we would like to propose improvements to three areas of the act. First, how can we strengthen this act to support Ontario industries?

We support a price on carbon in Ontario, but we must have the ability to ensure that products coming into Ontario do not gain an advantage. That's why we urge that this act provide the framework for imposing a carbon price border adjustment on any product impacting our EITE sector that enters Ontario from any jurisdiction without a carbon price or with a lesser price.

Clearly, a border adjustment would require reporting of GHG content. Section 9 of the act requires reporting on GHG content for any electricity, gasoline or natural gas that is imported into Ontario. Unifor suggests that this requirement apply also to cement, mined products, automobiles and auto parts, pulp and paper products or other products that are applicable to our EITE sectors.

Second, Unifor urges that the committee give special consideration to economic sectors which must carry an extraordinary burden of this change. Unifor strongly recommends that principles of transitional credits, which some refer to as free allowances—in our view, there is nothing free about the changes that fossil fuel workers will undergo in the coming years, and we should name it appropriately as transition, not some kind of free lunch.

However, it's not language that concerns us but rather the uncertainty involved in the provision of transitional credits. Section 30 of the act gives the minister the ability to provide such credits but does not provide the criteria for providing these credits.

In the course of our discussions about the draft regulation, it's also unclear about what would happen after the first compliance period. This is a significant concern for capital-intensive industries which require major planned-capital programs extending years into the future. We

suggest that this section make it clear that transitional credits are for the purpose of supporting employment stability and that these credits shall be provided for a period of time, with conditions which provide for both a long-term certainty for employers and security for workers.

Workers have a right to expect that they will be transitioned where necessary into new jobs in the low-carbon economy. Employers should expect that the transitional assistance that they receive includes an obligation to work with unions to develop labour adjustment plans to ensure that workers are not left behind.

Third, I'd like to now turn to schedule 1 concerning the greenhouse gas reduction account, or the green fund. Schedule 1 sets out the purposes and uses of the fund; however, when it comes to addressing the needs of workers, there is just too much left to the imagination on how workers' concerns would be taken care of as a by-product of other, more direct, purposes.

Unifor proposes that “just transition” be explicitly referenced in Bill 172, as it was in the Paris agreement on climate change, as a principle informing and guiding the implementation of climate change action plans. To appreciate the meaning and range of potential “just transition” measures, we refer the committee to the proposals incorporated in the recent climate panel report to the Alberta government. That section of the report is appended, for your convenience, to our written report. In short, we do expect that “just transition” measures will be a legitimate purpose and use of the green fund, and we strongly urge that this be made explicit in the act.

In summary, Unifor supports the goals of Ontario's climate change action program. We want cap-and-trade to work but we believe that its success depends directly on our ability to demonstrate to Ontario workers that they will not be left behind as economic and environmental change transforms our province.

We'd be pleased to answer any questions.

The Chair (Mr. Grant Crack): Thank you very much, Ms. Fortier, for the presentation. We shall begin with the NDP: Mr. Tabuns.

Mr. Peter Tabuns: Katha, Fred, thank you very much for being here this afternoon.

Could we talk briefly about border adjustment? As you know, in the bill, as it's written, electricity importers have to take account of and responsibility for greenhouse emissions for the product that they bring over. Coal-generated electricity has to be recognized by importers here in Ontario. You're suggesting that we do that as well with cement, mined products, autos, auto parts etc. Do you see any difficulty with actually generating an inventory, generating an accurate number, on those carbon emissions?

Ms. Katha Fortier: I think that it's a real possibility. Obviously, if we can do it on energy, it should be easily expanded to other products. Our big concern is that we could lose a manufacturing site in Ontario and the greenhouse gases just continue somewhere else. We'd just lose jobs in Ontario with the product just moving somewhere else.

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Mr. Peter Tabuns: When we talk about mined products, do we import a lot of raw ore into Ontario for processing here?

Mr. Fred Wilson: No, but it does happen from time to time. Mostly not, but it could happen. Of course, to the extent that carbon pricing increases the cost of Ontario minerals and ores, then there may be an incentive to bring in American or other ores.

Mr. Peter Tabuns: Okay. So you don't see a problem, then, with using the mechanism that's already in the bill, but expanding it to other product areas, from electricity on to pulp and paper, cement etc.

Ms. Katha Fortier: Yes, we'd agree with that.

Mr. Peter Tabuns: And you wouldn't have any trouble with steel having that applied?

Ms. Katha Fortier: No.

Mr. Peter Tabuns: Excellent. In terms of the just transition, is there a jurisdiction that has done an intelligent and thorough job on putting this together?

Mr. Fred Wilson: Germany.

Mr. Peter Tabuns: They have.

Mr. Fred Wilson: I encourage everybody to look at some of the just transition measures in phasing out coal mines and other operations in Germany. The Germans have done a very good job.

Mr. Peter Tabuns: Is there a place where we could access that documentation?

Mr. Fred Wilson: I'll have to get back to you on that.

Mr. Peter Tabuns: Okay, that's fair.

The Chair (Mr. Grant Crack): Sorry, Mr. Tabuns.

Mr. Peter Tabuns: I was just getting rolling, Mr. Chair.

The Chair (Mr. Grant Crack): I know. You were doing a great job. I apologize.

To the government side: Mr. Potts.

Mr. Arthur Potts: Thank you, Ms. Fortier and Mr. Wilson, for being here. I appreciate very much your broad level of support for where we're going. I know this is important for all residents and all workers in Ontario. I also appreciate you pointing out and highlighting the impact it's going to have, because so many of your members do work in emissions-intensive industries.

With respect to the transitional credits—I like that wording, to be honest, instead of the free credit—within the first adjustment period, do you think we're getting it right—we're putting in adequate protections in the first compliance round?

Mr. Fred Wilson: For the EITE sectors—I mean, this all goes to the regulation. We have attended the technical briefings where they go into the formula for each of the EITE sectors. Many of them have different formula. Frankly, some of those formulas are quite complicated. But what we expect is that the EITE sectors will get literally 100% of transitional credits through the first compliance period. However, they will have to reduce their emissions in line with the declining cap.

We think that is a significant goal for the emissions-intensive sectors. You have to remember that some of

them are very emissions intensive, and a 4% or 5% reduction when you're dealing with 700,000 to 800,000 or a million tonnes of greenhouse gases a year is quite significant.

But what really concerns us is that the act and the regulations as yet do not give any certainty as to what happens beyond the first compliance period.

Of course, we spoke to the point that also, neither does it set up—we think there could be firmer quid pro quos. Yes, give free credits, but what is the quid pro quo for the receivers of those credits with regard to employment security?

Mr. Arthur Potts: I appreciate that. Thank you very much.

The Chair (Mr. Grant Crack): We'll move to the official opposition. Mr. McDonell.

Mr. Jim McDonell: Thank you for coming out. I see that many of your members are in the automotive sector, just to speak of one. Are you somewhat concerned that we're moving ahead of our competition to the south, who are not moving as quickly in cap-and-trade? If you're exporting cars and are subject to some of these regulations that our members in Michigan, for instance, aren't, is that not going to lead to an exodus of our jobs to a lower-price jurisdiction?

Ms. Katha Fortier: I'll answer that. I wouldn't say that our members who work in auto and some other emissions-intensive industries aren't concerned about their jobs, but that's exactly the reason that we're here today asking for some protection.

Broadly, just as most people of Ontario and Canada believe, I think we have to deal with climate change. The fact that Ontario is leading is a good thing in most people's minds. But again, it's got to be about fairness and making sure that we're not moving emissions, which is why we're asking about the border adjustments that need to be made. That's really critical to the jobs in Ontario.

Mr. Jim McDonell: We already see the costs of manufacturing in Ontario being a disincentive, as we saw in Timmins where they're now exporting more to Quebec because of their cheaper cost of doing business. I think that it was somewhere around 600 jobs lost and now moved across the border, shipping ore out of the province. That's a real concern of ours. I'm not sure whose employees they are, but they're employees who have lost their jobs in Ontario. They did a very good job at one time.

Maybe you can explain something about the border credits that you're talking about and how that would work. I know that it's easy to tack them on the imports, but our exports are much more difficult, considering that our exports are competing worldwide. Any ideas around how we would do that?

Mr. Fred Wilson: Well, our exports, by definition, would have built into them a price on carbon, which would come out of the Ontario system. What we're asking for is that if any product made in our EITE sectors—that is, trade-exposed sectors—carry this price

on carbon, when a competing product comes into Ontario, the same fee be assessed against the carbon intensity in that product, just so that at least within Ontario we have a level playing field.

For example, auto parts: We have a perfect storm coming, to your point, where we have the TPP and so on. We are worried about lesser-priced, low-cost products coming into our domestic industry. One way we could level out that playing field would be through a border price adjustment against any auto part, for example, that came from a jurisdiction where was no price on carbon.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it. I'd like to thank both of you for coming before committee this afternoon.

Ms. Katha Fortier: Thank you.

UNION GAS

The Chair (Mr. Grant Crack): Next on the agenda, from Union Gas, we have the vice-president of in-franchise sales, marketing and customer care, Mr. Isherwood, as well as Tanya Mushynski, general manager of cap-and-trade and legal affairs.

We welcome you both to committee this afternoon. You have 10 minutes for your presentation.

Mr. Mark Isherwood: On behalf of Union Gas, I'd like to thank the standing committee for the opportunity to speak today regarding Bill 172, the Climate Change Mitigation and Low-carbon Economy Act.

Union Gas recognizes the effort that the Ontario government is making to provide a low-carbon future for the province, and we recognize that the cap-and-trade program contained in Bill 172 is a significant step for our province in that direction. We share that commitment to a low-carbon future and, in the spirit of co-operation and partnership, we're committed to helping bring it to fruition.

I am here today to say that natural gas is and will continue to be an integral part of the solution as Ontario moves forward toward that goal. It is our ask today that natural gas be explicitly recognized as such in Bill 172.

Before I get into that, let me begin by telling you a little more about us. Every day, Union Gas serves over 1.4 million natural gas customers across 400 communities in Ontario. In fact, the majority of all gas coming into and through Ontario comes through our system. Our service area stretches throughout Ontario, with the exception of Enbridge's territory in the GTA, Ottawa and the Niagara region.

For more than 100 years, we've served urban and rural Ontarians. Our customers include the province's major employers in the industrial heartland—places like Sarnia, Sudbury and Hamilton—and we supply most of Ontario's natural-gas-fired generators. We know these customers well. They rely on us to provide affordable and reliable fuel to heat their homes and support their local economies. They also rely on us for information about energy, and we take that responsibility very seriously, communicating with them on a regular basis.

Let me state outright that Union Gas not only supports a low-carbon economy, but we are actively working to enable it. We are working hard with the government and the Ontario Energy Board to meet the implementation date of January 1, 2017 for the cap-and-trade program. We will be one of the largest purchasers of emission allowances in Ontario. Successfully integrating our customers into cap-and-trade will be essential to the long-term success of the program to reduce greenhouse gas emissions.

Since the government announced its intention to proceed with cap-and-trade, we have been engaged with government leaders and policy makers, representing our customers' interests and providing our expertise to ensure the program's success. Let me tell you what we've been telling them.

Natural gas is a reliable and affordable fuel that most businesses and almost 80% of Ontario's homes depend on. Efficiently and effectively using this fuel and the infrastructure that delivers it will be integral to moving Ontario towards a low-carbon economy without reducing competitiveness.

As part of our commitment to ensuring that solutions are implemented for the cap-and-trade program, we are proposing several small additions to schedule 1 of Bill 172 to clarify the role that natural gas will play as a critical partner in Ontario's low-carbon future. We have provided our suggested amendments to the Clerk today for members of this committee to review in more detail.

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The important thing to note is that while the legislation specifically references things like geothermal heating and plug-in hybrid vehicles, natural gas has gone unmentioned. That's despite the fact that natural gas has a strong and successful history of helping the Ontario government achieve its environmental goals. For example, Ontario's phase-out of coal would not have been possible without a ready, economical and low-carbon supply of natural gas.

We were able to replace approximately 7,500 megawatts of installed coal-fired generation with clean, reliable natural gas, resulting in a significant reduction in greenhouse gases. Natural-gas-fired generation, as per Ontario's Long Term Energy Plan, has been used flexibly and efficiently to respond to changes in provincial supply and demand and to support the operation of Ontario's electricity system. Natural-gas-fired generation provides the reliable backup power necessary to integrate the approximately 10,000 megawatts of intermittent wind, solar and bioenergy expected to be in place by 2021.

At the same time, Ontario's natural gas distributors have developed energy conservation programs which, over the past 15 years, have successfully reduced the amount of natural gas that the average Ontario residential customer uses by 30%. Union Gas and Enbridge Gas Distribution recently gained approval from the Ontario Energy Board to increase demand-side management spending to a combined total of more than \$600 million out to 2020.

Union Gas, along with Enbridge Gas Distribution, is also working closely with the Ministry of Energy to provide immediate greenhouse gas reductions through a home energy retrofit program supported by the Green Investment Fund. Through a \$100-million investment over three years, the program will help homeowners conduct audits, identify energy-saving opportunities in their homes and complete retrofits such as replacing furnaces, water heaters and upgrading insulation.

By including references to liquefied, compressed and renewable natural gas, as well as combined heat and power, in schedule 1 of Bill 172, Ontario will be sending an important signal that natural gas has been and will continue to be a critical partner in the low-carbon economy.

Natural gas should also be explicitly recognized as a critical part of the five-year action plans that will make up the province's climate change strategy. These signals will ensure that our infrastructure remains well capitalized and able to play the enabling role so necessary to the success of this low-carbon future.

Let me give you a few examples. Working with stakeholders, the government and our customers, we have identified two key initiatives that will be central to the early reduction of greenhouse gases in Ontario. The first is transportation. The transportation sector represents about one third of Ontario's remaining greenhouse gas emissions.

While the government has already initiated action to support the transition of passenger vehicles to electric vehicles, there are critical remaining segments where that simply is not feasible, such as heavy-duty trucks. Heavy-duty vehicles are among the single largest contributors to greenhouse gas emissions, responsible for more than 7% of total emissions or up to 12 million tonnes a year of CO₂ equivalent. Natural gas is a proven solution for this segment of the transportation sector. We are working with the Ontario Trucking Association and others on a plan to fuel approximately 5,000 heavy-duty trucks across the province with natural gas, which will allow Ontario to reduce greenhouse gas emissions by roughly 1.25 million tonnes by the end of 2020, and growing to 2.5 million tonnes by 2030.

Across Europe, and in British Columbia, Quebec, Texas, California and New York City, transformative policies are already under way to address financial risks for early movers transitioning their freight trucks from diesel to compressed natural gas, or CNG, and/or liquefied natural gas, or LNG. For Ontario to stay competitive and not fall behind, the province needs to take steps now to invest in and implement a CNG/LNG strategy for vehicles that cannot be electrified.

I mentioned combined heat and power earlier. Combined heat and power, or CHP, is another important component of the solution. As identified in Ontario's Long-Term Energy Plan, CHP can help support regional economic development and local energy needs while reducing emissions. CHP supports the development of new technologies, including vehicle electrification, by

creating capacity on the existing electricity grid and reducing the capital required for infrastructure. That's why CHP should be recognized in schedule 1 of this legislation as well.

The last initiative we've identified is renewable natural gas, or RNG. In RNG, Ontario has the opportunity to harness a fuel source that can reduce the greenhouse gas profile of our fuel while capturing and putting to use methane that is currently either being burned off or, worse, escaping into the atmosphere.

It works like this: Methane is naturally produced through the decomposition of organic materials. It can be captured at its source, places like landfills, waste water treatment plants and farms. It is cleaned and then integrated into our pipeline system. We've found support for RNG within the agricultural communities across the province.

Municipalities too, are eager to harvest the benefits of natural gas to confront the challenges around landfill and waste water, as well as organic waste. In Hamilton, for example, RNG captured from the waste water plant and injected into our system is helping fuel the city's new CNG bus fleet. Over the next six years, Hamilton's public transit provider will grow its CNG bus fleet to a total of 120 vehicles. This move represents about \$40 million in savings over the next 20 years for the city and is expected to reduce emissions significantly.

Renewable natural gas is the solution to a multitude of public policy issues that the Ontario government is tackling right now. By 2030, we estimate that Ontario can reduce emissions by eight million tonnes a year by replacing just 16% of Ontario's conventional natural gas supply with RNG. Ontario can become a global leader in RNG, building exportable technology while at the same time reaping the benefits of lower greenhouse gas emissions in Ontario.

In addition to the two examples I have cited today, there is a wide array of technologies that have or can be developed to further enhance the role that natural gas can play. For example, power-to-gas, which is the process of converting surplus wind and solar power into a gas, is an excellent method for long-term energy storage.

Supporting the development and implementation of new technologies like power-to-gas will be imperative if Ontario is to reach its 2030 and 2050 greenhouse gas targets. We encourage the government to invest in such technologies with the goal of reducing greenhouse gases at home and developing expertise that can be marketed around the world.

Let me say again that Union Gas is looking for a clear signal in this legislation that the government is willing to work with us to propel Ontario into a low-carbon future with explicit mention of natural gas in schedule 1. As a company whose 1.4 million customers and 2,300 employees span the province, we're invested in securing Ontario's low-carbon future. We look forward to developing opportunities to advance the government's low-carbon strategies through natural gas, and we look forward to continuing to be a vital partner in meeting Ontario's economic and environmental goals.

On behalf of Union Gas and our customers across Ontario, thank you for your attention. Tanya and I would be happy to take any questions you may have.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it. We'll start with the government: Mr. Potts.

Mr. Arthur Potts: Thank you both for being here. Natural gas is a very seductive product. You describe it as reliable and affordable. What you don't describe is that it's not carbon-free. So help me out with a little problem here. I get the notion that if you displace diesel with natural gas, there will be a carbon savings and that will contribute to a lower carbon economy. With the \$100-million retrofit program, if you were putting gas lines into communities not served with gas and you're displacing homes that are heating themselves with electricity, you're actually displacing a low-carbon energy source with a higher-carbon energy source. How do you address that concern in the community?

Mr. Mark Isherwood: I think the other thing we're displacing in the community, though, is a lot of wood-fired homes and a lot of oil-fired homes—and propane would be the other common fuel. There's electricity mixed in there as well, for sure. Displacing propane and oil and wood-burning stoves is definitely an improvement in greenhouse gas emissions, and it provides those customers with a more affordable fuel to warm their house.

Mr. Arthur Potts: So the \$100-million fund that you're now part of is, I guess, with Enbridge? Is Enbridge administering the \$100-million renovation fund?

Mr. Mark Isherwood: It's actually split: \$60 million for Enbridge and \$40 million for Union.

Mr. Arthur Potts: Is it? Okay. So part of the project would be to displace wood-fired, coal-fired and oil-fuelled homes for heating purposes?

Mr. Mark Isherwood: No, actually, the \$100 million is part of the green fund. It was actually a new program that came out in November. It's going back to looking at retrofitting existing homes with better furnaces, better water heaters, insulation—those types of things. It's actually making a house more efficient.

Mr. Arthur Potts: But these will be customers that you're currently serving?

Mr. Mark Isherwood: Currently serving. We have a different program that I think you're alluding to, in terms of new communities. The \$100 million is a green fund initiative. It just came out in November or December, and we're still working through the program.

Mr. Arthur Potts: I just wanted clarification. Thank you very much.

The Chair (Mr. Grant Crack): Thank you, Mr. Potts. We'll move to the official opposition: Mr. McDonnell.

Mr. Jim McDonnell: I'm kind of surprised by comments made by the government talking about natural gas not being carbon-free, because I know that their energy minister is actually recommending that people get off of electricity to save money and to move over to carbon,

which, I agree, is contrary to what you would think this government wants.

Moving to this cap-and-trade system, I would imagine that there are some fairly significant hurdles—consultants, accountants and all the other types of brokers that go along with this. Is 2017—can you get ready for it by then?

Ms. Tanya Mushynski: That is a very good question. We have been working with the government to implement solutions to support implementation of the program by the deadline indicated in the draft regulations. We are supporting the move to the lower-carbon economy and the implementation of cap-and-trade.

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Mr. Jim McDonnell: Is the administration cost huge? I mean, I'm not saying that it shouldn't be based on to consumers; that's the way business has to work. Is the additional cost significant? Any estimates? Would you be looking at the additional cost now of a cap-and-trade system versus the system you have today?

Ms. Tanya Mushynski: As Mark mentioned, natural gas is a low-cost energy source. Our approach throughout the implementation of this program has been to balance the government's emissions reduction objectives with cost-effective solutions. We are seeking implementation in a low-cost manner.

The Chair (Mr. Grant Crack): Ms. Thompson.

Ms. Lisa M. Thompson: Thank you very much. With regard to carbon pricing, are there different models that you feel should be considered or could have been considered to protect the competitiveness of our local domestic market—such as fee and dividend or a carbon tax—when you look at other jurisdictions around the world and how they're moving forward with their carbon pricing?

Ms. Tanya Mushynski: Again, we are here today to talk about Bill 172 and the cap-and-trade program that it describes there. Again, we are working to implement that program with the government.

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

Mr. Peter Tabuns: Thank you both for coming here and presenting today. I note that you'll be working with the funds from the Ministry of Energy for helping your customers retrofit their homes, put in new furnaces etc. Is that work being done by your employees or are you contracting that out?

Mr. Mark Isherwood: That would all be done by independent third parties. We just administer the program and try to connect the customers with the people whom they need to connect with to get the furnace or the water heater or the insulation.

Mr. Peter Tabuns: Have you thought about using your own employees as a transition initiative so that work continues for them even though less natural gas is going to be used?

Mr. Mark Isherwood: At this point, we don't have that skill set in the company. We have people who can

fix meters and do meter work, but not insulation or new windows or that type of thing. It's not a skill set that we actually have today.

Mr. Peter Tabuns: Have you thought of developing those skills amongst your workforce?

Mr. Mark Isherwood: Not yet, no.

Mr. Peter Tabuns: Okay. You're talking about expanding infrastructure for natural gas vehicles—so compressed natural gas, LNG, filling stations, transportation. What would be the lifespan of such an infrastructure were it to be put into place?

Mr. Mark Isherwood: It would be different along the whole chain. New pipelines would typically have a life of 40 years. Compressors, I think, would be less than that—maybe 20 or 30 years. The trucks themselves, obviously, depend on the mileage that they use. It would depend on which part of that cycle you were referring to.

Mr. Peter Tabuns: But if we were putting new lines in along major roads—

Mr. Mark Isherwood: A new pipeline is 40 years plus.

Mr. Peter Tabuns: It's 40 years plus? Okay. The renewable natural gas: You talk about how 16% or 18% of our current natural gas needs could be met through renewable natural gas. Is that correct?

Mr. Mark Isherwood: Yes, the potential that we've identified is about 16%.

Mr. Peter Tabuns: How much is from historic landfills and how much is from recent landfill activity? What are the sources that we're talking about here?

Mr. Mark Isherwood: I don't have the exact numbers, but the primary source is landfills, followed by, I'd say, water treatment plants and then agricultural waste would be the third.

Mr. Peter Tabuns: If the government actually, with its waste diversion activities, were to dramatically reduce the amount of organics going into landfill, what impact would that have on the source of renewable natural gas?

Mr. Mark Isherwood: Renewable natural gas is really based on organics. It's really organic material decomposing into methane. That's based on historical dumps as well as new landfill as it happens. Agricultural waste, as you would expect, is continuous with animal livestock and that type of thing, so we expect that there would be a long-term supply of RNG.

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

The Chair (Mr. Grant Crack): Thank you very much. I appreciate the two of you coming before committee this afternoon. Have a great afternoon.

Mr. Mark Isherwood: Thanks.

Ms. Tanya Mushynski: Thank you.

NISHNAWBE ASKI NATION

The Chair (Mr. Grant Crack): Next on the agenda, from the Nishnawbe Aski Nation, we have with us once again Deputy Grand Chief Derek Fox. Welcome, sir. How are you today?

Deputy Grand Chief Derek Fox: Good afternoon.

The Chair (Mr. Grant Crack): Good afternoon.

Deputy Grand Chief Derek Fox: You were close; it's "Nishnawbe Aski Nation."

The Chair (Mr. Grant Crack): What did I say? Something like that. Nishnaw-awbe, I think. Sorry about that.

Deputy Grand Chief Derek Fox: It was close enough.

The Chair (Mr. Grant Crack): An extra W. The floor is yours, sir. You have 10 minutes.

Deputy Grand Chief Derek Fox: Okay. Bear with me. I'm also fighting a cold like that last lady, but I've got my voice.

I'm here today from Nishnawbe Aski Nation. I'm the deputy grand chief, one of four members of the executive. We represent 49 of the 133 First Nations in Ontario. In the package that I gave, there's a map of the territory that we cover, which is basically two thirds of Ontario, from the Manitoba border to the James Bay coast.

Through treaty, NAN First Nations are co-owners and stewards of the land, which includes the boreal forest. It is this shared ownership and stewardship responsibility that must be captured in Bill 172.

Thirty-two of our 49 communities are remote. They do not have road access, and they are not connected to the transmission grid. The majority are powered by expensive and high-risk diesel generation. The diesel fuel is either flown in or transported by ice roads, with significant costs and environmental risk.

In NAN territory, climate change is real. For years, our elders have identified the changes occurring in our landscape. For example, the wildlife is changing. The land has changed. The north is warming, and the ice roads are melting. What was once a reliable lifeline is under direct and observable threat.

I'll cover some points here:

(1) Aboriginal and treaty rights: Bill 172 recognizes that climate change has far-reaching political, economic, social and environmental impacts, all of which are critical to NAN and the 49 First Nations it represents.

It also clearly establishes that the act respects aboriginal and treaty rights. Ontario is acknowledged by NAN for their respect of the treaties and our inherent rights. As co-owners and stewards of the land and forests within NAN territory, we must actively work together to utilize these resources to address climate change and share in the benefits that accrue from the utilization of these resources.

(2) Defined processes to engage NAN and NAN First Nations: In the preamble to Bill 172, it states that "the government will continue to involve" First Nations "in the ultimate goal of fostering a high-productivity low-carbon economy and society in Ontario." For this to happen, formal processes must be established to define and guarantee NAN and NAN First Nations involvement in attaining the ultimate goal. How we are to jointly work together must be clearly set out.

(3) Traditional ecological knowledge: Bill 172 recognizes the special relationship that First Nations have with the environment, and that we are deeply connected, both spiritually and culturally, to the land and the animals. It is important to note that we are also afforded economic opportunities from the land, which greatly affects our social and economic well-being.

The bill also states that First Nations “may offer”—or “if” they offer—traditional ecological knowledge. As co-owners and stewards of the land, it cannot be a question of “may” or “if.” Utilization of traditional knowledge must be permanently embedded into the process of Bill 172 or any other related legislation, federal or provincial.

In order for traditional knowledge to be effectively utilized, permanent mechanisms must be found to capture, record and utilize this traditional knowledge in the development of policy and implementation of programs. Resources must be allocated to access and utilize this knowledge.

Given the complexity of how this would be undertaken, no specific recommendations can be made at the present time. However, NAN is willing to initiate discussions on how this can be accomplished.

(4) Addressing the impacts of climate change on NAN First Nations and its people: That climate change has been impacting First Nations has been recognized by our elders for years. A September 2013 study on climate change impacts in Far North Ontario communities—specifically Eabametoong First Nation—by Dr. David Pearson, co-chair of Ontario’s Expert Panel on Climate Change Adaptation, acknowledges that NAN First Nations are on the front lines of climate change.

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Schedule 1 of Bill 172 identifies initiatives that would be funded by the greenhouse gas reduction account. Though NAN recognizes the importance of these initiatives, NAN First Nations, which are acknowledged to be on the front line of climate change, are not clearly identified as primary beneficiaries of this account, nor is it clearly identified how the benefits of the boreal forest and its land will be accounted for and allocated. That is, the benefits accrued by the boreal forest and the land as a carbon sink and how they will be shared by the co-owners and stewards have not been set out and must be enshrined within legislation and processes to develop and modify legislation. This can only be done by Ontario in partnership with NAN and its member First Nations.

To conclude, recognizing that the climate change issue and associated legislation is a complex process, NAN is ready to engage in discussions regarding matters identified above and those related to the effective implementation of Bill 172. As noted above, NAN will require resources to undertake meaningful discussions.

Permanent processes and resources will have to be embedded within government climate change and related legislation, along with government policy formation initiatives, to preserve NAN First Nations’ rights as co-owners and stewards of the boreal forest and lands. How the benefits of climate change mitigation resources can

be shared is an important discussion, one that will be ongoing and to be held between government, environmental scientists, NAN and NAN member First Nations and their traditional knowledge keepers—our elders. To fulfill our joint responsibility, the necessary resources must be provided to address the impacts on NAN First Nations and its people, who are acknowledged to be on the front line of climate change.

To date, the Ontario government has not acknowledged the need to fully engage NAN, its member First Nations and its traditional knowledge keepers. In the recent Ontario budget, millions of dollars were allocated for a partnership between Laurentian University and Ontario First Nations Technical Services without any consideration for the role of NAN and NAN First Nations. The position put forward by Mushkegowuk Grand Chief Jonathan Solomon to Ministers Zimmer, Murray, Gravelle and Mauro urging a more collaborative approach is fully supported by NAN.

To add, NAN First Nations assert that, as co-owners and stewards of the boreal forest and lands, Ontario must provide NAN and NAN First Nations with permanent methods and processes, including sufficient resources and core funding, to work collaboratively in:

- addressing climate change, specifically well-defined processes for our direct input into climate change legislation and programs;

- guaranteed core funding to provide and retain the expertise to gather both traditional knowledge and assess the technical and economic assessments of the impacts of climate change on NAN territory, First Nations and its people;

- managing the resources and benefits attributable to the boreal forest and land within NAN territory; and, finally,

- to work co-operatively to effectively manage the impacts of climate change on NAN First Nations and its people.

Finally, it must be stressed that NAN is unique in its geography and remoteness. The majority of the boreal forest in Ontario is within NAN territory. This requires a separate negotiation table within the provincial discussions. We can no longer afford to be impacted by an all-Ontario approach.

That’s my submission. Thank you, and meegwetch.

The Chair (Mr. Grant Crack): Thank you very much, Deputy Grand Chief. It’s much appreciated. We shall start questioning with the official opposition: Ms. Thompson.

Ms. Lisa M. Thompson: Thank you for being here.

I found your remarks very important. To drill down a little bit more, a former federal environmental minister, Leona Aglukkaq, used to champion the inclusion of traditional knowledge into all of her environmental decision-making. I was wondering if you could share with the committee—you say you want to be at the table—exactly in what ways you feel you could bring traditional knowledge to assist us as provincial policy-makers move forward with addressing climate change.

Deputy Grand Chief Derek Fox: At NAN, we consider the chiefs and the elders basically like our bosses. It would start with their input and their direction. When you talk about traditional knowledge keepers, it's mostly in reference to our landholders, our trappers, those people on our river systems who are using them year-round. So it would start with contacting those people and seeking their direction, because they're the most experienced on the land.

Ms. Lisa M. Thompson: Okay. And they would see ways of how, in the boreal forest that you referenced, sequestration of carbon could be achieved and how new processes could possibly be applied?

Deputy Grand Chief Derek Fox: Yes. It's just to ensure that it's done properly. I think the most important thing is that there's something there for their children and their grandchildren so that their grandchildren can continue to hunt, fish and trap as they did, while we continue to move forward with this.

Ms. Lisa M. Thompson: All right. Then in terms of cap-and-trade, it's an initiative that will see the cost of many things increase in price. Around your table, have you discussed how cap-and-trade will impact—

Deputy Grand Chief Derek Fox: Could you say that again? The what table?

Ms. Lisa M. Thompson: Sure. Around your table.

Deputy Grand Chief Derek Fox: You mean with the chiefs?

Ms. Lisa M. Thompson: With your chiefs, yes.

Deputy Grand Chief Derek Fox: It has been discussed, and it's back to what you were saying in your first question, just the need to be included. Given the fact that NAN takes up two thirds of Ontario, it's just the need to be at the table with both levels of government, or Ontario, to ensure that our voice is a part of this discussion.

Ms. Lisa M. Thompson: Okay. Thank you.

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

Mr. Tabuns.

Mr. Peter Tabuns: Mr. Deputy Grand Chief, thank you for coming down today. Thank you for your presentation.

I know this has only a tangential impact on the bill, but you noted that you've seen the loss of ice roads and you've also seen a change of animal life in your territory. Can you speak briefly about that?

Deputy Grand Chief Derek Fox: Yes. We rely on the winter road system big time. I'm not sure if you're familiar with the area of Sault Lookout and Pickle Lake, but that's where one of the major winter road systems goes through. This year, it has been there for about three or four weeks at the most, and usually it's about 10 to 12 weeks that it's there, so our communities can get their supplies up. The fact that that has been affected—the pricing and everything, say housing, goes up. So all the communities are affected.

As far as the animals, they're just—I know for myself, personally, I'm from Bearskin Lake, which is one of the

furthest-north communities. When I talk to my elders—and we like to hunt moose, caribou and even fish—you'll see that the animal patterns have changed. You'll see that the spring goose hunt that's supposed to come—that's changed on when they arrive and so on. Everything is changing due to the impacts of our climate change.

Mr. Peter Tabuns: On another issue, the sequestration of carbon in the boreal forest, have you had discussions or have you got thoughts about precisely how you'd want to structure that? Or is this too early for that question?

Deputy Grand Chief Derek Fox: I think it would be too early for that. That's a discussion that's ongoing. We haven't actually sat down to have a thorough discussion on how that would look as far as structure.

Mr. Peter Tabuns: Okay. Are there any other changes to this bill that you would like to suggest? I know you talked about ensuring that there is support for NAN and other First Nations to be active and fully resourced players in dealing with this. Are there any other changes to the bill that we should be aware of?

Deputy Grand Chief Derek Fox: No. As I stated in my presentation, it's to ensure that NAN First Nations are included in the discussion.

Mr. Peter Tabuns: Okay. Thank you very much. I appreciate it.

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

Mr. Arthur Potts: Welcome, Deputy Grand Chief Fox, to Queen's Park, the traditional lands of the Mississaugas of the New Credit. It's lovely to have you here, and thank you for bringing your insights.

Much of what you discuss and talk about relates to the adaptation issues associated with climate change—and I'm very aware of the winter road concerns and the inability we'll have to get supplies in, and then having to rely on more expensive transport through air and such, and the changes to the boreal forests. So I appreciate it.

We're very specific in the legislation about how we can use the proceeds of the revenues that come from climate change in the fund, and adaptation isn't one of the funds. So what I would challenge you is to be thinking, within the chiefs' council, about a way we can get away from it and into reduction programs—ways we can get the communities off expensive diesel and onto renewable fuel.

We had a wonderful presentation two days ago from companies that are involved with storage of renewable energy and about the opportunities in the north where we can put not just battery storage but wind—big energy storage systems—pumping water uphill, etc. Those are opportunities where we can put in significant resources to get the communities off of dirty diesel and reduce the necessity to bring the product that far. I would encourage you to look. I want you to be thinking about what you think we can be doing in terms of how you reduce your impacts of using fossil fuels in the north. Any thoughts on that to start?

Deputy Grand Chief Derek Fox: Okay. Yes. We've been approached by lots of companies who want to help reduce the impacts. That's a discussion that's also ongoing as far as what we can do to—even the conservation of energy. How can we bring down the bills in our homes? It's simple methods like turning off the lights and—

Mr. Arthur Potts: Sure. Wind, energy, micro—

Deputy Grand Chief Derek Fox: Microgrids.

Mr. Arthur Potts: —microgrid systems, but also watercourse microgeneration. So there's a lot, and I believe that this legislation will provide the resources to do tremendous work in the north. We certainly appreciate the consultations we'll continue to have with First Nations to see these projects come to fruition.

Thank you for being here. Meegwetch.

Deputy Grand Chief Derek Fox: Thank you for having me. Meegwetch.

The Chair (Mr. Grant Crack): I appreciate it, and thank you, Deputy Grand Chief Fox, for being here this

afternoon and sharing your comments with the committee.

Members of the committee, I want to remind you that amendments to this potential legislation are to be filed by tomorrow at 3 p.m., April 7. Our next meeting is 2 p.m. on Monday, April 11: 2 p.m. to 6 p.m. We will be doing clause-by-clause, it appears, at that particular time.

I want to wish you all a great evening—up to the House for a great vote. And I want to wish everyone—

Mr. Arthur Potts: How do you think the vote is going to go, Chair?

The Chair (Mr. Grant Crack): I have no idea. That's not for me to decide.

I wish you all a good evening. Thank you very much for the hard work you've done, and thank you to all the presenters this afternoon.

Ms. Lisa M. Thompson: Thank you, Chair.

The Chair (Mr. Grant Crack): This meeting is adjourned.

The committee adjourned at 1742.

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