

Second Session – Forty-First Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Legislative Affairs

Chairperson
Mr. Dennis Smook
Constituency of La Verendrye

Vol. LXX No. 9 - 6 p.m., Tuesday, May 23, 2017

ISSN 1708-668X

MANITOBA LEGISLATIVE ASSEMBLY
Forty-First Legislature

Member	Constituency	Political Affiliation
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
BINDLE, Kelly	Thompson	PC
CLARKE, Eileen, Hon.	Agassiz	PC
COX, Cathy, Hon.	River East	PC
CULLEN, Cliff, Hon.	Spruce Woods	PC
CURRY, Nic	Kildonan	PC
DRIEDGER, Myrna, Hon.	Charleswood	PC
EICHLER, Ralph, Hon.	Lakeside	PC
EWASKO, Wayne	Lac du Bonnet	PC
FIELDING, Scott, Hon.	Kirkfield Park	PC
FLETCHER, Steven, Hon.	Assiniboia	PC
FONTAINE, Nahanni	St. Johns	NDP
FRIESEN, Cameron, Hon.	Morden-Winkler	PC
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin, Hon.	Steinbach	PC
GRAYDON, Clifford	Emerson	PC
GUILLEMARD, Sarah	Fort Richmond	PC
HELWER, Reg	Brandon West	PC
ISLEIFSON, Len	Brandon East	PC
JOHNSON, Derek	Interlake	PC
JOHNSTON, Scott	St. James	PC
KINEW, Wab	Fort Rouge	NDP
KLASSEN, Judy	Kewatinook	Lib.
LAGASSÉ, Bob	Dawson Trail	PC
LAGIMODIERE, Alan	Selkirk	PC
LAMOUREUX, Cindy	Burrows	Lib.
LATHLIN, Amanda	The Pas	NDP
LINDSEY, Tom	Flin Flon	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Flor	Logan	NDP
MARCELINO, Ted	Tyndall Park	NDP
MARTIN, Shannon	Morris	PC
MAYER, Colleen	St. Vital	PC
MICHALESKI, Brad	Dauphin	PC
MICKLEFIELD, Andrew, Hon.	Rossmere	PC
MORLEY-LECOMTE, Janice	Seine River	PC
NESBITT, Greg	Riding Mountain	PC
PALLISTER, Brian, Hon.	Fort Whyte	PC
PEDERSEN, Blaine, Hon.	Midland	PC
PIWNIUK, Doyle	Arthur-Virden	PC
REYES, Jon	St. Norbert	PC
SARAN, Mohinder	The Maples	Ind.
SCHULER, Ron, Hon.	St. Paul	PC
SELINGER, Greg	St. Boniface	NDP
SMITH, Andrew	Southdale	PC
SMOOK, Dennis	La Verendrye	PC
SQUIRES, Rochelle, Hon.	Riel	PC
STEFANSON, Heather, Hon.	Tuxedo	PC
SWAN, Andrew	Minto	NDP
TEITSMA, James	Radisson	PC
WHARTON, Jeff	Gimli	PC
WIEBE, Matt	Concordia	NDP
WISHART, Ian, Hon.	Portage la Prairie	PC
WOWCHUK, Rick	Swan River	PC
YAKIMOSKI, Blair	Transcona	PC
<i>Vacant</i>	Point Douglas	

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON LEGISLATIVE AFFAIRS

Tuesday, May 23, 2017

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Dennis Smook
(La Verendrye)

VICE-CHAIRPERSON – Mr. Kelly Bindle
(Thompson)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Messrs. Eichler, Pedersen, Schuler

Messrs. Altemeyer, Bindle, Johnston,
Ms. Klassen, Messrs. Marcelino, Selinger,
Smook, Wowchuk

APPEARING:

Hon. Steven Fletcher, MLA for Assiniboia

WRITTEN SUBMISSIONS:

Bill 19–The Efficiency Manitoba Act

Caroline Shaver, private citizen

Chris Mravinec, private citizen

MATTERS UNDER CONSIDERATION:

Bill 19–The Efficiency Manitoba Act

Bill 20–The Crown Corporations Governance
and Accountability Act

* * *

Clerk Assistant (Mr. Andrea Signorelli): Good evening. Will the Standing Committee on Legislative Affairs please come to order.

Before the committee can proceed with the business before it, it must elect a new Chairperson.

Are there any nominations for this position?

Mr. Scott Johnston (St. James): Nominate Mr. Smook.

Clerk Assistant: Mr. Smook has been nominated. Are there any other nominations?

Hearing no other nominations, Mr. Smook, will you please take the Chair.

Mr. Chairperson: Our next item of business is the election of a Vice-Chairperson.

Are there any nominations?

Mr. Johnston: Nominate Mr. Bindle.

Mr. Chairperson: Mr. Bindle has been nominated. Are there any other nominations?

Hearing no other nominations, Mr. Bindle is elected Vice-Chairperson.

This meeting has been called to consider the following bills: Bill 19, The Efficiency Manitoba Act; Bill 20, The Crown Corporations Governance and Accountability Act.

An Honourable Member: Point of order.

Point of Order

Mr. Chairperson: On a point of order, Mr. Fletcher.

Hon. Steven Fletcher (Assiniboia): For the record, if I could just be registered as present at this meeting.

Mr. Chairperson: Whenever you speak at this meeting, Mr. Fletcher, you will be in Hansard as recognized who you are when–if–whenever you speak.

* * *

Mr. Chairperson: This committee previously considered these bills on May the 11th, 2017 and on that date concluded public hearing presentations and started clause-by-clause consideration of the bills. The committee rose at midnight while considering clause 1 of Bill 19.

In accordance to rule 2(12), this committee has to complete consideration of these bills no later than tonight.

Also, in accordance to rule 2(16)(c), the Chair of the committee must interrupt the proceedings at midnight and, without further debate or amendment, put every question necessary to complete clause-by-clause consideration of the bills under consideration.

Furthermore, if we are still debating bills at 11 p.m., any member of the committee who wishes to move an amendment must file 20 copies of the amendment with the Clerk of the committee by that time.

Bill 19—The Efficiency Manitoba Act

Mr. Chairperson: We will therefore continue tonight starting from clause-by-clause consideration of Bill 19.

An Honourable Member: Point of order.

Point of Order

Mr. Chairperson: Mr. Fletcher, on a point of order.

Hon. Steven Fletcher (Assiniboia): Mr. Chair, I'd like to continue where we left off at the last meeting. That was clause 1(a), the purpose of the bill. And I'd like to provide an opportunity to just reflect on what was said the other night and also to table a couple of documents for the record.

I think it would be very helpful if the minister would just answer the simple questions that brought forward, and, as this is my second opportunity to ask questions—

Mr. Chairperson: Mr. Fletcher, I don't feel that's a point of order, and we will be continuing on where we left off at clause 1 with the—and I have to put that question first before anything can be discussed on that question.

* * *

An Honourable Member: Okay, I have another point of order. Clause 1—

Point of Order

Mr. Chairperson: Mr. Fletcher, on another point of order.

Mr. Fletcher: On clause 1(a), the purpose of the bill, it refers to the mandate, 4(1), part 2, section 4, so—which is basically everything. So I think you will find that my questions fall within the mandate, part 2, section 4, as was determined in the last meeting.

So, if you don't mind, I'd like to continue with the questions in a respectful and calm manner.

Mr. Chairperson: I don't hear a point of order on this.

We will be asking the questions—we can't take any debate before we ask the question.

* * *

Mr. Chairperson: So we will continue on with the clause by clause.

An Honourable Member: Point of order.

Point of Order

Mr. Chairperson: Mr. Fletcher.

Mr. Fletcher: So, clause by clause: Could you clarify very clearly which clause we are dealing with, and I want to make sure that we can explore to the fullest potential clause 1(a) where it talks about the purpose of the legislation—

Mr. Chairperson: Mr. Fletcher, I have given my ruling on this. We will be starting with clause 1. I see no point of order. I see no rules that have been broken.

* * *

Mr. Chairperson: So we will start with clause 1.

Shall clause 1 pass?

Some Honourable Members: Pass.

An Honourable Member: Point of order.

Point of Order

Mr. Fletcher: Okay, so we've done this rodeo before.

I wonder, after reflection, if the minister would consider getting further feedback and maybe we could introduce this bill—

Mr. Chairperson: This is not a point of order, Mr. Fletcher. I have stated that if you wish to participate in the debate, we will be bringing—we will ask the question, and if there's an opportunity to participate in the debate, that opportunity will be given to you.

* * *

An Honourable Member: Point of order. On a separate point of order.

* (18:10)

Mr. Chairperson: Mr. Fletcher, there is no point of order, but when we start debate, you will be allowed to question.

Shall clause 1 pass?

Some Honourable Members: Pass.

An Honourable Member: A point of order, Mr. Chair.

Mr. Chairperson: Clause 1 is according—

Point of Order

Mr. Chairperson: Mr. Fletcher, on a point of—do you have a point of order, Mr. Fletcher, or would you wish to participate in the debate?

Mr. Fletcher: Mr. Chair, I have checked out the rules beforehand. I do not wish to cause any further delay, and perhaps if there's someone that can clarify, that would—that's fine with me. But my understanding is that on the first clause, just like what occurred at the last meeting, I—there is the opportunity for members of the committee to ask points of order relating to that clause. And that clause refers to—or that section refers to the mandate in part 2 right in the clause. So that opens it up to the entire bill, in effect.

So, Mr. Chair, I'm just asking to be able to do what happened in the last meeting, and I have checked the rules beforehand.

Mr. Chairperson: There—I don't see a point of order because a point of order is to do with a breach of the rules, and I can't see a breach of the rules because we haven't started anything yet.

* * *

Mr. Rob Altemeyer (Wolseley): We may be in for another interesting evening, and I, too, don't mean to overly complicate things. I have, however, been informed that there are individuals who are here with us tonight who are interested in presenting to the bill. I fully recognize we went through the full list already. I've been given three names. There may be more, but the room is clearly not overflowing. It's my understanding, and I would defer to your expertise and that of the Clerk's, that if we—if we do have leave of the committee, we could permit these individuals to make the usual 10-minute presentation and the usual five minutes, and there's certainly precedent for this to—that has happened before.

So I just, on behalf of the individuals who are here tonight, and perhaps on behalf of our own sanity, break the routine up a little bit. If the committee is willing to do that now, I think that would certainly be most courteous to those who are here. And, if we wanted to wait a bit, clear a few procedural issues and at a designated time maybe allow them to present, maybe that would be a reasonable way to go. So I thank you for letting me pitch this idea and I defer to your decision on it.

Mr. Chairperson: The member is asking for leave to revert back to allowing people to make presentations. What is the will of the committee?

Some Honourable Members: Agreed.

An Honourable Member: No.

Mr. Chairperson: I hear a no. Leave is denied.

Mr. Altemeyer: I could challenge the ruling. I don't know what good it would do. It was clearly the minister who said no, and this is the minister's bill and the minister's problem, so those individuals who wanted to contribute to the debate that we're having on this important piece of legislation, know why it is that they're not going to get that opportunity, and that's the minister's call. So we can go back to whatever it was that was going on before I made my suggestion.

Mr. Chairperson: Just to clarify things, this isn't a ruling of me; it—there was a request of leave, and leave has been denied, so, therefore, we will not reopen up for additional presenters.

Mr. Altemeyer: I appreciate that clarification, Mr. Chair, and, absolutely, my comments did not in any way, I hope, suggest that that was your ruling. Having sat in your position for a few years, not always as late as we have perhaps recently on this particular item, I am familiar with that procedure. And it was the minister who denied leave for further democratic discourse to take place, and you are doing the proper job of recognizing that procedure here around the table. And that's really all that anybody can do about it. It's the minister's call.

Mr. Chairperson: Shall clause 1 pass?

Some Honourable Members: Pass.

An Honourable Member: Point of order.

Mr. Chairperson: Mr. Fletcher, I understand—there is no point of order, but, if you wish to proceed in debate, just state that you wish to proceed in debate, on clause 1, because we are considering clause 1 right now.

So, if you have some questions on clause 1, I will recognize you, but not on a point of order, because there is no point of order.

Okay, shall clause 1 pass?

Some Honourable Members: Pass.

An Honourable Member: Point of order.

Point of Order

Mr. Chairperson: The Honourable Mr. Schuler.

Hon. Ron Schuler (Minister of Crown Services): Committee members, the Chair asks, shall a clause pass. And usually before a vote, a committee

member can raise their hand. And that means they have a question. The case of Mr. Fletcher, he can't do that. So he—the—all's what the Chair is asking of Mr. Fletcher is if he wants to be part of the debate, we can debate the clause, rather than having to call a point of order or saying no, because when you say no, it means you're part of the vote.

So, just to the committee: Mr. Fletcher, if you're asking to debate clause 1, then just be recognized for debating, and then you can ask whatever questions you want. It's just that when you say no, it means you're voting on the question. So we understand that you don't have the ability to raise your hand like other committee members. So, if you just say, I have a question—debate, and then, until all debate is done, then we have the vote. I hope that clarifies a little bit better where this is, so we don't have to do all these points of order.

An Honourable Member: Well, that wasn't actually my point of order.

Mr. Chairperson: Mr. Fletcher.

Mr. Fletcher: I was going to table a document.

* (18:20)

Mr. Chairperson: Yes, you don't need a point of order to distribute a document. All you have to do is get our attention and we will make sure the document gets distributed and that it's recognized in debate.

* * *

Mr. Fletcher: Yes, I have a document I'd like to table. It is—this is Manitoba Hydro Your Energy, dated March 31st, 2015, the Manitoba Hydro 64th annual report.

In this report it describes again what the mandate of Hydro is, it gives cost projections and as we go through the debate on clause 1, we will see how the markets have changed, and the purpose of Manitoba Hydro is a very important contributor to the Manitoba economy, provided we take best steps.

And in lieu of not accepting public participation, especially after there was almost no notice for the last meeting, and after there was no, you know, 10 minutes given, the minister knows that we could have extended that and that wasn't provided. Why—I don't see what the harm is by allowing people to present now. There is an alternative, is—I have some documents here, and we can go one-by-one in lieu of

the presentations and see where that takes us, and we'll be right back at debating presentations again.

So I wonder if there's some consideration to allow whoever is here to present and maybe that will save us some time in me presenting some very important documents, one by one.

Mr. Schuler: Well, I happen to think that clause 1 is very important because it lays out as a starting point of what demand-side management, Efficiency Manitoba is going to be all about.

I do want to address one of the points made that no notice was given. Actually for new members to this Legislature, as soon as a bill is tabled and it goes through first reading, it is then listed on every government website, it's out in the wild, wild world. There is this new thing Al Gore invented called the Internet. You can go onto Google and you can google it, it's out there, it's published. It was actually published in the fine newspaper of the one reporter sitting here at committee. It was, they mentioned that it had been introduced. So there is no secrecy on this.

I would point out to committee members that there was a lengthy process by which this bill was written, and I, later on in the evening, would like to get into that. However, there was a lot of notice given that there would be a committee meeting. It's one of the most beautiful things of the Manitoba Legislature, in fact, unlike any other legislature in the British Parliamentary system, our Legislature is in the form of almost a half circle, if you will, because it's set up as a committee. And that was supposed to be symbolic that people are allowed to come forward and present to committee, and there is a time given for that, there's a lot of time given. I think it's far more than you would find in most jurisdictions when legislation comes forward.

And we have an opportunity for people to have a robust presentation. I've been at this Legislature where we've sat 'til 5:30 in the morning, in fact, I drove home and thanked the individual delivering the newspaper for the newspaper and walked into the house with it. So we have sat here. We've had over 300 presenters on various bills, and we listen to each and every one of them, and that was on many bills. And they all seemed to have figured out that there is a process, everybody had the same opportunity.

The way it works is first we have public presentations. Once we're done public presentations, we then move into a clause by clause. There's an opportunity for individuals to bring forward

amendments, and I know that my colleague from Wolseley is waiting to table some of his amendments, and we certainly want to get to those, and that's also part of this. You listen to the presentations, and then you go into the amendment stage.

I would point out to committee that there is a reason why this bill is here. And I know often people come into this Chamber and don't have the ability of having the many years of experience that came—that led up to a piece of legislation.

And I would say to the committee, the reason why we have clause 1 in this piece of legislation starts back in 2006, and that has to do with the construction of the Wuskwatim dam. It started in 2006. Initially, it was supposed to cost anywhere from 800 to 988 million dollars; that was the initial estimate, and the hydro line that went with it was supposed to cost another \$300 million. By the time Wuskwatim was done, in 2012, the cost had ballooned to \$1.3 billion, and, if you add in the hydro line, that cost had escalated to \$1.6 billion. So the cost had almost doubled over the construction period.

And, from what we understand is the dam, from date of inception, from 2012—for 18 years, was not going to make money for Manitobans. In fact, it was going to be at a loss. And that should have been a warning sign—not just to Manitoba Hydro, not just to the provincial government but to the ratepayers, that we were getting into very expensive construction projects. In fact, it showed—and it would soon be proven even more to the case, which where we are today, is that the forecast tended to be off considerably. When you think that if a dam started out at being \$800 million and ended up being \$1.3 billion, there is something wrong with the forecasting. And we are building 'hydroelectric'—electric dams—the construction projects are very, very expensive.

And, if you want to know where the genesis of what we're doing here today started with, it started with the Wuskwatim dam and heavy cost overruns. To this day—and it'll be a couple more years before Wuskwatim will be showing a profit, that was a heavy burden for the ratepayers of Manitoba to have to shoulder. And I would suggest to the committee members that there is a very good reason why this bill is here today.

In fact, we've heard this over the last year since we've been elected, that if you want to have progress,

you must have change. You can't have status quo. You can't not change things and have progress; you must have change to get progress. And, for us to move ahead, we are going to have to change the way we do things. And there was a lot of discussion, and, as we go through the evening, I will endeavour to move committee though the various points that I think we had individuals come forward on and make presentations on and perhaps give a little bit more clarity.

And I don't know how I'm doing for time, Mr. Chair—[interjection] I got five minutes yet.

I did want to talk a little bit about not just how we did with Wuskwatim, but also how that leads into Keeyask, because Wuskwatim—I think, we should have understood that these construction projects were spiralling out of control when it came to their costs. But the Keeyask construction project, which began in 2013, had an initial budget of \$6.5 billion. Completion date is now in and around 2021, perhaps 2022, and the expected budget is going to be \$8.7 billion. That's a \$2.2-billion cost overrun.

And, again, if we didn't learn from Wuskwatim, I think by now, we should have learnt our lesson that these projects clearly are not coming on budget or under budget.

* (18:30)

When we became government, there was pressure—some individuals in this room and others who said, well, why don't you just stop the Keeyask project? And, when we took over, we found out that \$3.1 billion had already been spent and that to cancel the Keeyask project would have cost \$1.5 billion in mitigation of the site, et cetera, et cetera. So the only responsible thing to do was to proceed with Keeyask. There was no way that we could've stopped Keeyask and then somehow expected financial institutions, bond rating agencies, to accept that we would've had, at a minimum, a \$4.6-billion debt and no asset to attach it to.

So let me lay this out for the committee this way. It would be like going to the bank and saying, I would like to buy—I would like a mortgage of \$250,000. It's just—I have no asset to attach to that mortgage; I just want a \$250,000 mortgage. And no financial institution is going to be willing to give that to you.

So, when it came to Keeyask, because it had progressed to the point where we had invested a substantial amount of money, there was no

opportunity for government—certainly, our government recognized there was no opportunity to stop the Keeyask project. So, for those voices out in the community who say, well, why didn't you just scrap it? Because we would've had a substantial debt to which we could assign no asset, because if Keeyask wasn't producing electricity, it is a de facto—not an asset. So that's what we were stuck with when we came in as far as Keeyask was concerned.

Bipole III, on the other hand, and I want to make it very clear to committee members, when we talk about the Bipole III project, we're talking about the Kewatinook converter station, the Riel converter station and a hydro line that connects both of them. That is the Bipole III because the hydro dam produces electricity, AC. It goes into Kewatinook, which converts it into DC electricity. It then goes down the hydro line, comes just south of Winnipeg, southeast, it goes through Riel, and it converts it from DC back into AC, which then, that's what we use in our homes and our factories.

Start of the—bipole started in 2013, with an initial budget of \$4.65 billion. Supposed to be completed by 2018 at a cost of \$5.04 billion. When we took over, Kewatinook was 59 per cent complete, Riel 46 complete—46 per cent complete, and these numbers when we got in were—it was a little lower. These are current numbers, so we've gained a year. And I would like to explain to committee, perhaps a little later on, why we came to the conclusion that Bipole III had gone too far.

An Honourable Member: A point of—

Mr. Chairperson: Before we continue on with anything, I would just like to remind the member, Mr. Fletcher, that according to rule 40(3), no requirement to table documents twice; members are not required to table reports or documents that have already been tabled or already part of public record. And 40(2), members must provide sufficient copies of any report or document that is provided to the House for tabling, which is at least the minimum of three copies in committee. The—

Point of Order

Mr. Chairperson: Mr. Fletcher, on a point of order.

Mr. Fletcher: Yes, I have three copies of every document, and I would like, if you don't have them, the page to provide them to you, Mr. Chair. And I'd like to table another document. I have no idea if it's part of the public record or not, though it is accessible. The—but I'm doing this because there was

an opportunity to have public presentations. I am told that there are people in the gallery that would like to speak, and we have denied them that option when we have a lot of time to reflect and hear what they have to say. And I appreciate, while I'm tabling this document that the minister's been here for a very long time. And I remember when Bipole III routing was announced. I was the first politician in Manitoba to say it was a bad idea and I was quite pleased a few months later when the provincial Conservatives caught up with my comments.

Now, I think the minister is the only one here from that time, but the point is I agree with him about the routing of Bipole III. But that's not exactly what we're talking about here today, and this is why it's very important that I submit this report, the Power Smart Plan, 2014-2017, the supplemental report for 15 years from 2014 to 2029. And as our discussion progresses I think you will find that some of the assertions made are out of date, but also I'm really pleased that I have also all the PUB material from their May 12th meeting, which is additional information that has been provided since the last meeting. So the committee cannot possibly have read it all because I think it's about 1,500 pages. And there's all sorts of interesting stuff in that and I look forward to discussing every paragraph, every word, or we can have some people from the public to present, which is our democratic right. Like, there's nothing to be afraid of—nothing to be afraid of. Why not let them speak?

So I'll table this document in—with three copies.

An Honourable Member: On the same point of order.

Mr. Chairperson: Mr. Altemeyer, on the same point of order.

Mr. Altemeyer: Yes, thank you, Mr. Chair, and this is part—picking up on the comments that were just made and part of procedural matter, I found there to be at least two major levels of irony in the minister's presentation just now. The simplest of them, of course, is that he was the one who just denied the suggestion that I had made and that my colleague from Assiniboia is supporting, that we enable people to present here tonight. It was the minister who shut that down and then he launched into a near 10-minute speech on things that don't really relate to the legislation.

And I—the second level of irony to all of this is that if the minister is keen on moving forward

tonight and is interested in denying his colleague, the MLA for Assiniboia, the opportunity to bring his views and his content forward, he probably should not have just engaged in a near 10-minute speech on a wide range of topics which don't technically fit under the clauses of this legislation. If, at the end of the night, if the minister is looking around for who's responsible for this going the way that it did, he need only look in the mirror.

My own very brief comments on this legislation—and our caucus is not at all opposed to improving efficiency, especially when we have a government which is pushing very hard to crank up hydro rates to an unaffordable level. This is a time when you've got to be helping low-income people and vulnerable people in particular, to reduce the financial impact on them. This government continues to ignore the opportunities to create new green jobs. There's no mention of job creation in this entire legislation. There's no mention of job creation as something that the PUB should consider when it reviews the legislation, when it reviews the business plans that are brought forward by Efficiency Manitoba. There's scant mention, if any, of greenhouse gases, of global warming, of climate change. This legislation, just to be clear, would allow emissions in Manitoba to skyrocket and those emission levels could still technically meet the threshold imposed by this legislation. It may as well not be there in terms of actually driving a decrease in emissions.

* (18:40)

The poor staff at Power Smart had no idea what this government is doing. There's been no consideration for the expertise they could bring to the table for their rights as hard-working Manitobans attempting to make lives better for others. They've been given no information and no opportunity for input. So legislation could have been much better, and some of my amendments touch on an option for the government to consider. And lastly, there's huge gaping holes of accountability in the document in front of us. The government's own reporting is—as proposed in this legislation—is quite weak, and there's very progressive elements of The Energy Savings Act that have not been retained in this.

So, yes, I do have a number of amendments that I hope we get to tonight or at the report stage. And, if we end up having nice, long conversations about issues that kind of relate to this bill and maybe don't,

well, the minister's the one who drove that process. So I am content to sit back and watch the fireworks ensue, but in our caucus, we have some good content to bring forward, and we will get to it either tonight or at the report stage.

But, usually, Mr. Chair, you know, this type of thing can happen at committee. And I wish you well in your deliberations and your decisions tonight, because it's certainly going to be interesting. I'll leave my comments at that.

Mr. Chairperson: The honourable Mr. Schuler, on the same point of order.

Mr. Schuler: Yes, on the same point of order.

I, first of all, would like to say the member for Wolseley (Mr. Altemeyer) mentioned that he has amendments and he hopes we get to them, and then indicates that we should do everything but deal with the amendments. And he talks about that he has various places in the legislation he thinks that there should be discussion on, but—however, we never seem to get to that point.

We—he seems to be wanting to part of the filibustering of this legislation.

Now, he also mentioned the comments that were put on the record. And I think it's important, because there seems to be confusion by the member for Wolseley and other individuals, on how we got to this point, where the Public Utilities Board recommended that we are going to need a robust efficiency Manitoba program, and I was laying out very clearly for the member. And I know the member for Wolseley bored when you put facts on the record, but these are very important.

And certainly, for new members to understand that there was something that took place, there was something that happened previously that precipitated us getting to the point where the Public Utilities Board—in fact, it was his government and it was his seatmate sitting right next to the member for St. Boniface (Mr. Selinger) that put forward an order-in-council.

In fact, I probably have the date right here; it was April 2013. It was by order-in-council. The member for St. Boniface was the premier then, and they had the Public Utilities Board—there's a clause in the Public Utilities Board to do an NFAT on the Keeyask, Conawapa and US interconnection line.

So there was a process that we went through to get where we are today. And I understand that, you know, the member for Wolseley (Mr. Altemeyer) this kind of stuff bores him. But I think for other members, it was very important. And, certainly, as we start back into clause by clause, I would like to give members of the committee the opportunity to hear some of the facts of how we got to this point.

Mr. Chairperson: I thank the members for the advice on the point of order raised, but the honourable member does not have a point of order.

As in noted on page 634, of O'Brien & Bosc, a member may not direct remarks to the House or engage in debate by raising a matter under the guise of a point of order. I would like to remind the committee that a point of order should be used to draw the Chair's attention to any departure from the rules or practices of the House or to raise concerns about unparliamentary language.

* * *

Mr. Chairperson: Now, does anybody else have any comments on clause 1 before we move?

Mr. Fletcher: I'd like to table this document, just to help put things into context, to highlight the minister's comments as, again, we've had the opportunity to invite new speakers to the table, and that is not happening. And I recall when the legislation was—or the call to committee was introduced, someone from my side—and we can talk about it—was very distracting, as if I wouldn't have noticed.

Anyway, that was about 48 hours beforehand. Forty-eight hours is not a lot of time on something like this. That's—especially on demand-side management; it's complicated. And I fear that, given the lack of public input and the apparent lack of consultation, which we heard about at the last meeting, and because of the lack of, you know, just—I hope that we can at least respect the people who are here to present, given that we are going to be here all night. And that is our responsibility, our job, and there's no downside for anyone, so why not have public input?

And, in lieu of public input, I would like to table Manitoba Hydro report, its 65th annual report, for the year—March 31st, 2006. This is a really interesting read, because in the—oh, it's the annual report. It's—because it points out that 97 per cent of the power generated by Manitoba Hydro is renewable, and it points out that—all sorts of interest

things about transmission lines and generating stations and AC transmission and the—oh, and the Power Smart program as it relates to Centra Gas.

Now, this bill deals with Centra Gas, and we haven't even talked about that whole area around Power Smart. And again, in lieu of this, I guess we'll have to put things in context. One line from this report, right on the first page: "our export of electricity helps keep our domestic rates low and displaces greenhouse emissions in markets where fossil fuels are used for electricity production."

Yes—now, the mission is "a supply of energy to meet the needs of the province and to promote the economy and efficiency in the development" of "generation, transmission, distribution, supply and end-use of energy." So, I would like to table this report, and I look forward to a discussion about the consistency of Bill 19, with the mission and the corporate profile, which is in the first page of the most recent Manitoba Hydro document.

So I'd like to table that for context since we're not able to have anyone speak today, even though they're here, and we clearly have the time. And there's no hurry with this bill. Like, what is the hurry? Like, even if we waited 'til the fall, we're still going to have an excess supply. Demand is going to still be there. In fact, it may go down, because prices are going up. Let's review. But barring that, I'd like to table this report, Mr. Chair.

Mr. Schuler: And, as I was explaining to committee and unfortunately ran out of time, when our government took office—I think I've already made the case that Keeyask had progressed to the point where there was a point of no return. Well, the same thing had happened, actually, with the bipole line, and it's the three components.

*(18:50)

In fact, as I was mentioning—and I'd like to just go back at it again—Kewatinohk, which is 59 per cent complete; Riel is now 46 per cent complete; line clearing is now 97 per cent complete; anchors and foundations are 76 per cent complete, and the hydro towers, it's 33 per cent assembled and 13 per cent of them are already erected. And all of that is a \$3.1 billion already spent.

So the discussion, when we became a government, was: could we cancel Bipole III? Could we change its routing? Could we go where it should have gone initially, down the east side?

And we realized, again, that there was so much money that had already been expended, so much land had been acquired, so much concrete had been poured, going the wrong way—the west side—that to orphan \$3.1 billion would not have been the responsible thing to do. And so we decided that we would proceed, and this was done on the advice of a board of directors that we have great confidence in, and management for Manitoba Hydro made the recommendation to government that Bipole line proceed as it was.

And, again, I want to point out that there was a time when the previous government—in fact, the former premier's sitting at the table here, the member for St. Boniface (Mr. Selinger)—went out and made the argument that Bipole III was going to cost nothing. It was actually going to pay for itself. And now we are sitting at a cost of \$5.04 billion. And the member for Wolseley (Mr. Altemeyer) and others were asking how did that fit in to the first clause of this legislation. Well, it's very clear. There's a reason why we got to this point.

I do, however, want to lay out a little bit more for our committee so that we understand how we got to clause 1 and the entire Bill 19, that in August 14th of 2013, the Clean Environment Commission ruled on Bipole and provided the necessary environmental act licence. July 2nd, 2014, the Clean Environment Commission granted the Keeyask necessary environment to act licence. And there is a little bit of a discrepancy—and before members ask, I know they're going to mention that if Keeyask started in 2013 and the licence was approved in 2014, how is that possible? And that had to do with Keeyask started before they had the licence. They started early with roadways and First Nation agreements which were out of scope of the Hydro project. So that's why there's a one-year discrepancy.

June 27th, 2014, the Canadian environment assessment act decision was granted and, in June of 2014—as already mentioned—the NFAT came out with its—it publicly released its results on Keeyask, Conawapa and the US interconnection. Again, keeping in mind that the NFAT did start in April of 2013, so we have been talking about demand-side management, and this piece of legislation, since 2013.

For those who believe that this is somehow a hurried process, I know of very few other pieces of legislation that have had such a robust discussion. In fact, at the NFAT—and the member for St. Boniface

would know this, it was his order-in-council, that experts from the United States and Canada were to be engaged to test the validity of the numbers and the assumptions that were being put forward. This—the NFAT that was done by the Public Utilities Board was robust; it was done in a fulsome manner. Individuals were brought—the best of the best in North America were brought forward. It was done under the previous government, and when it was put forward publicly, it was the NDP that endorsed a demand-side management initiative. And we agreed. We felt that this was a way to go.

And, you know, I've got to check my time again. How am I doing for time? I still have five minutes.

There is a very strong rationale that was laid out at the NFAT. It was very robustly discussed. And I know at committee, we had presenters come forward and they said, well, you know, they didn't get their way.

Well, you know, it's interesting because some of the same presenters are the ones that said, yes, but you know what, really, Bipole III should have gone to the Public Utilities Board, which we agree with. It should have. However, when the Public Utilities Board gets it in front of them, you also have to accept that they're going to make a ruling. So you can't say, on the one hand, that we should have an NFAT and then not agree with the ruling and put Bipole III in front of the Public Utilities Board and then not quibble with results.

So I would be careful, I think, in the case of the NFAT. They did a very robust discussion and they brought the professionals in. I would suggest that Power Smart had the opportunity to make presentations. I would suggest that Manitoba Hydro had the ability to make presentations, as did all of the individuals who represent consumer groups, as did the environmentalists. There was a very robust discussion and this did not happen overnight, and to somehow indicate that we are now at the clause-by-clause stage of this piece of legislation that we are rushing a bill—this is a bill that has been under discussion for at least four years. And again, I know of no other legislation, or I know very few pieces of legislation, that have had this robust of a discussion. Not even in Mother Parliament in Ottawa does it take this long to come forward with a piece of legislation. It has been debated, not just at the Public Utilities Board, it has been part of two different governments' agendas, it was committed to by the previous government.

In fact, the former premier, who sits at this table, the member for St. Boniface (Mr. Selinger), made it part of—the main plank of his environmental program and we heard that—from the member from Wolseley that there was no mention of climate change. Well, actually, this is part of a bigger package of how we can be the most green province in the country. We know that we can help other jurisdictions. Other members have mentioned it in their comments tonight as well, that we can help other jurisdictions in achieving what's necessary to get themselves off of the kinds of fuels that currently the federal government is looking at imposing a heavy tax on. So we have an opportunity to not just make Manitoba green, which is already one of the most green jurisdictions in North America, but we can help our neighbours to the east and to the west in helping them achieve a more of a green platform.

So I would suggest that as we go through this process we remember that Efficiency Manitoba is part of a greater plan and it was part of a green plan by the former NDP government. And there's no secret to this; it was part of a party platform of our party, it was part of a campaign platform. It was in the Throne Speech, minister's mandate letter and now in legislation.

Mr. Chairperson: Mr. Altemeyer, you have already commented on this—oh. Mr. Altemeyer.

Mr. Altemeyer: I will be blessedly brief, but let me just say I don't think I've ever seen a minister filibuster his own bill before. I don't know where this is going, I don't know where it's coming from. The minister's known since last week that he has a major problem in that a member of his caucus has some major concerns with his legislation. The member for Assiniboia (Mr. Fletcher) has known he's got a major problem with where the minister is trying to take government policy. If—I mean, if I'm a member of the Tory caucus, I got to be telling both of these individuals to get their act together and come up with something other than this back-and-forth filibuster on the same—*[interjection]* Yes, I'm not volunteering, let me be clear here. I'm—*[interjection]* No, I respectfully decline the offer.

* (19:00)

But really, like, I don't know where the minister's going with this. Like, it's his legislation's been brought forward; he's trying to match the member for Assiniboia, 10 minutes for 10 minutes. He's not going to win. I've known the member for

Assiniboia long enough to know how this story's going to end. I've never seen a minister deliberately delay the passage of his own legislation.

I mean, let's be clear. Our caucus is opposed to this, maybe for some of the same reasons the member for Assiniboia has and probably for some very different reasons. We're opposed to it. We, in good faith, have a number of amendments that we think will make a bad situation a little bit better, you know, a little less damaging to the staff, a little bit more effective if the government does ever manage to get its act together and pass this into law.

So we're opposed to Bill 19. We want to try and improve it if the government will allow it. But the minister's doing just as much to block us getting to that process as the member for Assiniboia is. So, I'm just going to sit back and watch the fireworks, and everyone else can keep doing their crossword puzzles. This is ridiculous.

Mr. Schuler: I find it ironic that the member for Wolseley (Mr. Altemeyer) be—on one hand, wants to be the champion of democracy and debate and discussion, and then he wants to shut it down. Actually, we have an opportunity now to discuss this legislation. And I said right from the start, I felt that there were a lot of facts that the committee—many of the committee members would not have had because they're new members, and now the member for Wolseley wants to shut the whole process down. And that's how far his love for democracy goes.

In fact, I think this is a very exciting and interesting committee. We're actually going to get into the clauses of each piece of legislation; we're going to discuss this. You know, for the member for Wolseley, this is all about winning and losing, and we know how that works in his caucus, the entire winning and losing thing. And I understand why he's a little gun-shy on this one.

However, I do want to point out to committee that we have had a lot of discussion about how much electricity is available, what is there to be sold. We've seen the member for Fort Garry-Riverview (Mr. Allum) put all kinds of comments on the record. I'd like to point out to the committee that the next five years is really the most crucial for Manitoba Hydro.

And that has to do with—in 2015, Hydro debt was at \$12 billion. By 2021, which is approximately when the Keeyask dam will be put into service, Hydro debt is projected to be at \$23 billion. So, up

until that point, we are going to be borrowing money to build an asset that produces absolutely no money, so not just—and this is a situation the previous government and member for St. Boniface (Mr. Selinger) got us into—not just are we borrowing money to build the dam, but every year, we are borrowing the money to pay the interest on all the money that we are going to borrow for that year and that we have borrowed up until that point in time.

And that builds a lot of risk into the next five years should there be any kind of a drought, which happened when the member for St. Boniface was minister of Finance and minister of Manitoba Hydro. He knows how devastating that can be to Manitoba Hydro, and it was crippling. It was a very tough year for Manitoba Hydro.

There was an argument made that, so, what difference does that make? I'd like to point out that bond rating agencies are concerned not just by the high provincial debt, but the added burden of Manitoba Hydro. In fact, our last downgrade by bond rating agency, they made it very clear that it was a downgrade of the debt due to Manitoba Hydro. And this is the kind of risk that Manitoba has been put in by the previous NDP government.

So, I would like to point out that there is another argument that came forward, put forward by the member for Fort Garry-Riverview (Mr. Allum) who said, yes; however, every time we build a dam, we get a lot of debt at Manitoba Hydro. Then we get the dam going and we start paying it off. I would like to give another statistic to the committee, and that has to do with debt-equity ratio. And I would point out to members that, in this case, it has to do with debt.

I'll explain it to this—this way. If you own a home for \$500,000, the amount that you've paid off is your equity; the amount that you still owe is your debt. Normally, when you go to buy a house, you should have at least 25 per cent down on your home; that's what you should normally have.

If we transfer that over to a public utility, Hydro-Québec has a 32 per cent debt-to-equity ratio; SaskPower has a 26 per cent debt-to-equity ratio; BC Hydro is at 20 per cent debt-to-equity ratio. Manitoba Hydro is sitting at a 16 per cent debt-to-equity ratio. That means, currently, Manitoba Hydro has 16 per cent equity according—and the rest being debt.

As we borrow more money, that number will increasingly go down, and that should've been a

concern for the previous government. They did not feel it was a concern. In fact, there was some discussion—I remember being the critic where then-minister Dave Chomiak said, so what. So what, you go down to 2 per cent equity. What does that matter? You're building an asset.

It does matter when you start looking at the entirety of the company. Basically, you have no equity left and all that you have is construction expenses.

That is one of the reasons why we should be looking at some kind of demand-side management and we'll tie that all in a little bit later on.

So I think we've laid out for committee that, clearly, the warning signs were there with Wuskwatim. We've repeated the same thing again when we got to Keeyask and Bipole III. There was no ability for the current government to stop those projects; we had to proceed.

And I think we've made the case that the debt-equity and the kind of borrowing that we're undertaking are very substantive—that there is difficulty, and it's not just Manitoba or the Manitoba government. It's professionals nationally and internationally who are pointing out that the debt load is very high.

And our feeling is that—and we've heard from others—is let's do nothing, and that is not an option. It might have been something that the previous government would have viewed is just plough ahead.

I've always felt that, if you don't have a plan and you get into trouble, you have nothing to change. And what we found when we came into government is that there was no plan. Nowhere in any of the documents was there ever a plan of how to pay for this. What they planned on doing is ringing up the debt as high as possible and then worrying about it when the dam then came online, and that was very irresponsible. There is no plan in place. And so we came to government, there's really not much you can change, because what plan do you change?

So we went back to our commitments. The Premier (Mr. Pallister) put it into the mandate letter to myself as Crown Services Minister, and we put it into the Throne Speech that we were going to proceed where the NDP had left off. And I'd like to point out to the member for Wolseley (Mr. Altemeyer), who's busy doing his crossword puzzles, that it was his government that had proceeded, and the only reason why demand-side

management stalled under the previous government is they got themselves involved in an internal leadership and the project stalled. But they had commissioned Philippe Dunsky, who is one of the pre-eminent individuals in North America, and they had commissioned him to come on board and help out with demand-side management.

A lot of work had been done already, and we continued with that process, brought him back on, he fulfilled his contract and we've put together what we believe is a plan. This is the beginnings of starting to put Manitoba Hydro back on a proper footing.

And I would suggest to members that, as we go around the table and have some more questions and, you know, there was some criticism last committee that we weren't answering, and I think we should take the time this time to answer them in a very fulsome, very factual way how we got to this point of having Bill 19.

* (19:10)

Mr. Chairperson: Before I recognize Mr. Marcelino, I'd like to thank Mr. Fletcher for getting his assistant to raise her hand when he wishes to speak. It makes it a lot easier for me. So I'd like to thank you.

Mr. Ted Marcelino (Tyndall Park): I guess it's time for cooler heads to intervene in this ugly situation we find ourselves in.

This is a Costa Rican standoff, and it is something that really boggles the mind because I won't say—with all due respect to all—that this is not a waste of time. This is not. This is a test. And this is a test of the willingness of a government minister—a minister of the Crown—to accommodate the willingness of a member of caucus—his own caucus—to put his life on the line.

And I'm not trying to pander to the minister—or, I mean, to the member for Assiniboia (Mr. Fletcher), but I'll move for a recess of five minutes to cool things down, if possible.

Mr. Chairperson: Is there leave—oh, honourable Mr. Schuler.

Mr. Schuler: I have no idea why the member feels things have to cool down. If—should we open some windows? Is there—we're having a discussion here at the table. Maybe if he could give some clarity. Is the room too warm? Is—because this is a normal discussion here at the table.

Mr. Marcelino: English is a second language to me, and having been through a lot of discrimination and put-downs, I'm used to it. You become so used to it that even when you're insulted, you just take it like a sponge.

I move a recess so that we could cool down the temperature in the committee. And I say that with all due respect.

Mr. Chairperson: Does the committee agree to take a five-minute recess?

An Honourable Member: No.

Mr. Chairperson: I hear a no.

Mr. Fletcher: Again, in lieu of the presentations and the lack of consultation between—even now, there's been a lot of developments between now and the Hydro submission of May 12th, 2017, which is after the last committee meeting. And it—and I just want to also give the minister the opportunity to correct the record.

At no—nowhere in our platform, nowhere in the minister's mandate letter, and nowhere in the Throne Speech does it say that this government would create a new Crown corporation. And that is exactly what it—was stated at the last meeting. And I have the relevant documents somewhere in this pile to table if we need to.

But my point, again, to put it in context is: I have the Dunsky Energy Consulting report. This is comparing Manitoba Hydro's Power Smart with other leading Manitoba strategies. This report was completed in 2009 and is very interesting. It discusses mandate, puts things into context, and actually—surprisingly—has positive things to say about the Power Smart program.

Now, it's not the previous government saying it; this is a—presumably an independent consultant. And, I think, the committee would find it very helpful to read through this material before making any decisions, and I think it's only 167 pages. So I'd like to table that and I have three copies.

And, again, the PUB hearing—and I look forward to exploring this as the evening goes on, but—of 2014 where this idea seems to—well, has been referenced. Much has changed in the world, not the least of which is the election of President Donald Trump, and regardless of what you say about him, he is loosening up coal fire generation, gas fire generation and that is having a very negative effect on Manitoba

Hydro exports. So we need to put this all in context. And he may even take the US out of the Paris accord. So there's competitiveness issues.

I look forward to talking about all this, but, at this moment, I'd like to give the minister an opportunity to clarify the platform, his mandate letter and the Throne Speech, as well as—as we go one by one through hundreds of documents that I've been able to get printed at Staples to discuss this issue. And the reason, Mr. Chair, it's really important that these documents are tabled is because we have heard that there hasn't been an opportunity for the public to come and present.

We have the opportunity tonight to have some people present. Why don't we seize that opportunity? And the opportunity actually existed at the last meeting, and the minister certainly knows the rules, as he's already stated. I could have extended the time. Like, the committee was there until midnight anyway but chose not to. Now that there's an opportunity now, and I encourage the minister to take a leadership role and—as he is a leader, and move a motion to allow for unanimous consent for people to present that are here—but. So I ask—I suggest that; I'm not a member of the committee. That's my suggestion at this time. But, in lieu of that, I'd like to table this 167-page report to help lay down the foundation of this discussion tonight. Thank you, Mr. Chair.

Mr. Schuler: Well, so far, we've had several annual reports and a report done by Dunskey energy group, which I'd like to point out to committee, the member of St. Boniface, when he was premier of Manitoba, kept under the cover of darkness. In fact, the member for Wolseley (Mr. Altemeyer) made sure that it never saw the light of day. And it was our government that released it, and we made it—*[interjection]*—and the member for Wolseley said he was personally responsible. Well, that might be the case that he was personally responsible, but, in either case, it was actually our government that has allowed the public to see the Dunskey report. And we think that that was very important, because it is a good report.

It was given to the former premier. In fact, the—when the NFAT was completed, the NDP accepted the NFAT recommendations from the Public Utilities Board. Member for St. Boniface (Mr. Selinger) is premier, member for Wolseley in his unity role, and they accepted that Power Smart should be removed from Manitoba Hydro and a new entity be

independent from Hydro. And that is Bill 19. In fact, a lot of the work that had been done—

* (19:20)

Mr. Chairperson: Order.

I would like to take this moment to remind all honourable members to provide the courtesy of your attention to the member who has the floor. It is acceptable to carry on conversations at the committee table, as long as they do not disrupt the proceedings. I believe all honourable members wish to keep discussions and questions flowing along constructively, and I'd respectfully ask for your co-operation in this matter.

Mr. Schuler: The Dunskey Energy Report—written, of course, by Philippe Dunskey, Jeffrey Lindberg, Eric Belliveau and Thomas Lyle—pre-eminent individuals—it was a report that was presented to the provincial government—to the member for St. Boniface when he was premier, who is now sitting on committee tonight, and they accepted it. So it's good to see that we're getting documents tabled at this committee which we've released publicly, which had never before seen the light of day.

So I think, for those who haven't seen it online—and perhaps we could have individuals even just put on a piece of paper the link and hand that out to committee, and you could just go online and read it that way, we could—you know, we've heard about saving the environment. You know, we could actually save some of the environment at this committee if we just handed out the link to these reports, because this is all now on the government disclosure site. And, anyway, good for members to have this. I think it's a good read and it will explain again why we're doing Bill 19 and why it was the member for St. Boniface, the former premier, why he started this process in the first place with an order-in-council.

So the act that we're discussing right now clearly lays out the beginnings of why this legislation is there, and I'd like to point out to members that we've had presenters trying to make the case that, on the one hand, this bill seems to be too rushed. And we even heard at committee today that this is too rushed. That, after four years, that wasn't a fulsome enough time to debate.

And then we had other presenters at committee say that, well, if you don't accept that argument, then because it took four years for this legislation to come

forward, that they question whether some of the information was relevant. So what they were trying to do, if you couldn't get you on one side with an argument, they get you on the other side with the argument. Which basically means you must be getting it right because you're somewhere in the middle from two different sides making an argument. And I would argue that, yes, things have changed, which is probably why we need demand-side management more than ever before.

So I would also like to raise at committee that, what—back to the issue of the argument that supply exceeds demand. And that is currently our problem. We heard that at committee last week on numerous occasions and, again, I want to take the committee back that it's actually the next five years where we won't have the electricity of Keeyask, but we are still going to be paying for its construction.

And, if I could lay it out for committee, it would be like building a furniture factory and saying it's going to take five years to build a factory, but go out and sell as much furniture as you can—not knowing what kind of furniture, not knowing what the price is going to be, not knowing any variables, but go out and sell, sell, sell. In fact, the member for Fort Garry-Riverview (Mr. Allum) said, and just direct quote: Just sell the Keeyask power to our friends in the US. Now, I take it he was speaking about his friends in the US—I don't know which friends he was talking about.

The thing is is we can't sell what we don't currently have. We don't have the electricity from Keeyask for another five years. So, whether the member misspoke himself, or maybe he just didn't realize that the best we can do is go out and try to sign contracts. But, until there is water running through the turbines, there is nothing to sell, which is why we are in that five-year period of high risk. And I would suggest to members that there's an attempt at committee—and by presenters—to try to focus the problem on issues that aren't necessarily the problem.

Once we have water running through Keeyask and we are producing electricity and we have it on the lines, then there is something we can do for it. And yes, we are looking to sign more contracts. Yes, we are going to look to see if we can sell the electricity. However, none of that can happen until the hydro dam starts producing electricity.

In fact, the member for St. Boniface (Mr. Selinger), the former premier, even signed a deal, and that's why we're going to be building the

Manitoba-Minnesota transmission line. Some of this electricity will be going south into the United States, but again, we have all the expense of building Keeyask, Bipole III and the Manitoba-Minnesota transmission line. Until they are completed, they are all on the expense side. Once water starts running through the turbines, then we can have a different discussion.

So, when we hear the board chair and the board of directors and the corporation speaking about the risk that Manitoba Hydro is at, it's these five years, because the next five years are going to be the heavy borrowing years because that's where a lot of electron—electrical components are going to be purchased, that's where the turbines come in, so and so forth. So, it is going to be a very expensive five years. And I would caution members to not get caught up in the, well, just go out and sell the electricity, as if somehow we're going to have this pot of money selling electricity we don't have. That's not going to work. We have to wait until we actually produce it, then we will have something to sell.

And I'm—I look forward to the next question. We can continue this fulsome and healthy discussion on Bill 19.

Mr. Fletcher: The questions from my previous intervention are still outstanding; about the platform, the mandate letter and the Throne Speech, because certainly, we did not say we're going to create a Crown corporation.

But I'd like to table to the committee Manitoba Hydro's Action Plan regarding the Dunsky Energy Consulting, the smart plan portfolio review. There's three copies for the committee as requested, and this is a very interesting read. And nowhere in the action plan do I see it suggesting a creation of a Crown corporation or even a third entity. In fact, it speaks very positively about Power Smart.

It goes in further to describe the, you know, financial issues out—minister discussed demand side and supply. Well, I think that is a very good reason to reflect and delay, because why, when supply exceeds demand—we know that even now—why would we want to decrease demand if this Crown corporation is so effective? Why would we want to do that, because we already have supply. And he's already—the minister's already stated that—you know, that that's all water down the river if we don't use it.

So—and then on the flip side, if the Public Utilities Board has its way, for all the reasons that

have been discussed, the price of gas or electricity—well, both, probably—are going to go up, and that will, in itself, have an effect on demand if you—particularly if you believe the carbon tax rhetoric or philosophy.

So why would we take something that is working good enough, I'd say, take it out of a Crown corporation, have that Crown spend about \$100 million to fund this new Crown, when there's no—no one's asking for it? PUB certainly hasn't asked for it recently, and I would look forward to tabling some material on that. Why don't we all take a step back, look at the bill, reflect and make it better and allow for more public input?

* (19:30)

So, with that, I like to table this Manitoba Hydro's Action Plan, the Dunsky Energy Consulting Power Smart portfolio review, and I would be interested if the minister could refer us for content or context where it says to create a new Crown corporation and to be funded by Manitoba Hydro when we know Manitoba Hydro is in such a dire financial situation.

So, I don't know, Mr. Chair, has the report been tabled? I'm not sure. I'd like to table it.

Mr. Chairperson: Which report is it?

Mr. Fletcher: That's a good question, Mr. Speaker—or Chair. It is the Manitoba Hydro's Action Plan: Dunsky Energy Consulting Power Smart Portfolio Review. And, certainly, if this material was not available previously, that is of concern. So I'm very pleased to have tabled the report and Manitoba Hydro's review of it for the public to have greater access for it to read and put into context why we are here tonight.

So I believe the report is tabled and, Mr. Chair, if you wish, I can go on tabling this very important information. But I would prefer to hear from the public who are here, and I will encourage the committee to allow for public presentations as long as there's someone here from the public to present, which I understand there is, but probably as we get close to midnight, there won't be.

Mr. Chairperson: Yes, Mr. Fletcher, the report has been tabled, and the Clerk had gone to make a copy to make sure we had enough copies.

Mr. Schuler: I want to continue to point out to the committee why it is that we came up with Bill 19, why we felt it was so important, and I know all

members, you know, had questions and wanted to know where this came from.

I'd like to point out to an argument that was made, and the argument that was made, again, was that this has happened before. We've built hydro dams and there have been issues with debt-to-GDP ratio. And they go on to say is is that Hydro, as it builds a dam, has a lot of debt and then the water starts going through the dam, and it starts going down.

I'd like to put on the record for committee that never before has debt-to-GDP, that ratio, ever been as high as it is forecast to be with the Keeyask-bipole construction. And this is—this was something that was very troubling for the Boston Consulting Group, this was very troubling for the board and it's very troubling for the corporation and it should be troubling for this committee and all Manitobans. If we go back to when Limestone—and that was the—I believe it was the member for Fort Garry-Riverview (Mr. Allum) who so said, well, you know, we built Limestone; we had a lot of debt then too, and not a big issue.

When Limestone came online April 1st, 1990, there was a 15 per cent debt-to-GDP ratio. I would like to fast-forward the committee to today, and the forecast is that if we continue at the rate we are going, that by 2122, the debt-to-GDP ratio forecast for Manitoba increases to 65 per cent if we do nothing. That is the difference. When we compare something like Limestone to Keeyask, because when we built Limestone, Manitoba's debt was not nearly as big as it is today, and not also—not—was Manitoba Hydro's debt as high when they went in to build Limestone.

Manitoba Hydro was already carrying a substantial debt load and is now assuming the debt of Keeyask on top of it, which was why it was such an irresponsible move on behalf of the NDP and the former member for St. Boniface (Mr. Selinger) when he was premier, that they didn't at least try to pay down some of the debt of Manitoba Hydro and build in more equity before they went into another large construction project. Because the debt-to-GDP, if we do nothing, if we allow it to continue to go the way it is, like the NDP were prepared to do, we could see a 65 per cent debt-to-GDP ratio, and we do not find that that is acceptable.

Now some members at this committee, they would suggest what's the big deal. I would suggest to them that is a big deal when you start going to your

bond rating agencies and they start looking at these numbers. That is a very serious warning sign, that if we would have had demand-side management and we could have waited at least another five to 10 years before starting the Keeyask project and we could have built up more equity at Manitoba Hydro and then went into the construction project, we would never have put the ratepayers and, frankly, the taxpayers of Manitoba, in such a precarious position. It is the height of irresponsibility. It was irresponsible to ratepayers and it's irresponsible to taxpayers, because if we look, Manitoba Hydro was always considered to be a corporation that could stand under its own debt, which means it was a responsibility of the ratepayers.

Our last downgrade by a bond rating agency indicated that this was a reflection on the debt of Manitoba Hydro, which then transfers the debt not from—not just to the ratepayers, but it transfers it also to the taxpayers. It now becomes an issue of the taxpayer as well, and to not have looked at this number and at least have allowed the Public Utilities Board to reflect on this was irresponsible.

When Keeyask went to the Public Utilities Board for its review, the Public Utilities Board was very clear that they felt it was fortuitous because the project was already underway—and I'll get the exact number—it was already under way by one—I believe it's \$1.6 billion. The Keeyask project had already proceeded so far down the path that by the time they were given the opportunity to look at it, it was too late to stop it already. And I am corrected—it was \$1.3 billion.

So the Public Utilities Board felt that they didn't have much room with it to work. The entire Keeyask project should have gone in front of the Public Utilities Board without any pre-expenditures, and it didn't. In fact, Bipole III never went to the Public Utilities Board. In fact, it was the member for St. Boniface (Mr. Selinger), the former premier, and his colleague, the member for Wolseley (Mr. Altemeyer) and other colleagues in the NDP who disallowed the Public Utilities Board from ever having a look at Bipole III—another affront to the ratepayers and the taxpayers of Manitoba.

So what we had here is that there was basically a case being made that this is the way business was done as usual without remarking that actually the debt-to-GDP was way beyond anything the province had ever seen and that it was irresponsible to go

down this path without building up equity within Manitoba Hydro.

* (19:40)

So I would like to point out to members—I'd like to point out April 1st, 1974, when Kettle came on stream under an NDP government, hydro rates went up that year by 20.6 per cent. The following year they went up 19.2 per cent, 19.8 per cent, and then they started to come down. Every time we are in one of these hydro dam projects, we tend to have higher rates for electricity, because you've accumulated all that debt to build the dam. Now you've got water going through, but you've got to start paying your interest, you've got to start paying your principal.

So, if we're going to go down this path again—and one of the things that the PUB has made very clear is that we should have a very clear business plan. We should know how we're going to pay for this. We should have it very clearly laid out for us. We should know that these construction projects tend to run over. And, before we get into them, we should make sure that Manitoba Hydro has equity built up that they can afford to build this, and that it's not then done at the risk of Manitoba taxpayers and the ratepayers by higher rates.

And none of that was laid out for Manitobans when we proceeded down this path. In fact, a lot of the numbers were way off the mark, starting with the projection of what it would cost and then going forward.

So I would suggest to committee members: I think we've made a very compelling argument why business as usual was not the way to proceed.

And, again, to do the same thing over and over again and expect change is not the way it's going to happen. So, if you want to have change in society, if you want progress in society, you have to have change.

And I look forward to the next question.

Mr. Rick Wowchuk (Swan River): I would like to ask the minister how he feels households and businesses will benefit from this agency.

Mr. Schuler: Well, I thank the member for that question, and I am—I want the committee to know I am getting there. However, I felt it was very important for committee members and, certainly, members who are new to the Legislature to understand that there's a history of how we got to this point, that we didn't just fall out of the tree and all of

a sudden we had this crisis on our hands, that, actually, there—through very poor decision making by a previous government, by the NDP, that we got to this point.

I would like to point out—and I'll get to the member's question—that what we have done historically, and you've seen it, and I'll give you a retail analogy. If you're making \$1 million off of 1,000 square feet, and I've seen this over and over again and, if the committee wants, I can even tell them which stores it was. So, then, by virtue of that, if you have 2,000 square feet, you should sell \$2 million. And they double the size of their operation, and they find out sales go up 25 per cent, and they lose their whole operation.

Smart business people take their 1,000 square feet and maximize absolutely every penny out of their business—out of the square footage. That is what smart business people do. They use online sales. They use all kinds of different venues to build a business within that footprint, because you don't automatically double the square footage of your business and double the sales in your operation.

That was the kind of thinking that was used by the previous NDP government. That—well, if we're selling so and so much, then we just build another dam, and then we'll sell even more—without recognizing that there is a cost attached. And we know that, increasingly, construction costs have spiralled almost out of control. I mean, we've seen the kinds of numbers: 6.5 is what the dam was supposed to cost—it goes to 8.7. I mentioned the numbers from Wuskwatim; basically, the numbers doubled in that dam. It's going to take 18 years; I believe we have another four, five years before that dam's actually going to start making any money.

So, if the answer isn't always building new dams, how do we ensure that we have enough electricity in Manitoba and to export and to grow an economy?

Manitobans, bar none, are the highest users of electricity in the world. We consume more per capita than any other people in the world. And there is no reason—and we have a self-professed environmentalist here from Wolseley, though I have my doubts on that at times. Should we not, as Manitobans, be more efficient in the way we use our electricity? How is it that an NDP party one hundred per cent endorsed that notion—now, seemingly, one hundred per cent is opposed to that notion—when any environmentalist will tell you the smartest thing you

can do before you go into building another out-of-control-expenses hydro dam is make sure that the hydro dam and the hydroelectricity you have right now, that you're using it to your most efficient, that you're maxing out what you currently have?

Folks, I know all of us drive home at night and we drive by houses, and it—you can see through the windows; almost every TV is on the house, and there's—I mean, I know this from my neighbours—nobody home. I can tell when their cars aren't there. How many lights are on? We are going to have to become far more efficient in our use of our electricity. Why is that something that a supposed green NDP party doesn't understand?

In fact, I have made the argument in this building over the last 17 years that the worst thing for the environment is an NDP government, and another day, I will make the case on where that's the truth, because, by the way, the whole blue-box recycling program came under the Filmon government, and we could go on and on and on. The major green initiatives in this province were all driven by Conservative governments, not by the NDP.

The NDP should be doing cartwheels with this legislation out of joy that we're actually going to now take what we have, and we're going to ask people to be more efficient. How about being more responsible?

I'd like to take on a quote. And there was a quote at committee—and if members would indulge for a moment—and I have it right here. How do you grow an economy where—when demand for electricity goes down?

Well, actually, the statement is false. You grow an economy when you become more efficient with your resources. That's how you grow an economy. I would like to point out to members at this committee that, organically, we grow every year as a province. We have a lot of new Canadians coming in. We have more teenagers plugging in their devices. There's an automatic growth anyway every year for electricity within Manitoba.

The argument was that Keeyask was going to be built because we were going to run out of domestic supply. Initially, I think it started in the '26-27, and members of the committee, those of you who were here last week, you know the numbers vary. You—it's like an auction. It's 2027; no, 2029; no, 2030; no, 2036; and the numbers are all over the place.

But, folks, within that realm is anywhere from eight to maybe 22, 23 years. We have the next 20 years to make Manitobans the most efficient users of hydroelectricity. Is that not the responsible thing to do? Or we can do what others are suggesting, is just keep building hydro dams. And then we're going to be back where bond rating agencies are going to suggest to us that our debt is out of control. We need to get our finances under control. We need to become far more efficient as a province, as citizens of this great province, and stop viewing hydroelectricity as something that we can use and abuse and throw away. We should view it as something wonderful to grow a great economy and a great province, but we cannot keep squandering it the way we're doing it.

And that's where energy efficiency—and I'd like to suggest—and I know there's the cheerleaders in the room for Power Smart. Power Smart spends 44 per cent of every dollar on overhead, way over any other power—any other jurisdiction in North America. We want to see them spending less than 20 per cent on overhead. There's no reason for them to be spending 44 per cent on overhead. That's an outrage. That may—how's that even possible?

* (19:50)

And we also know that over the years, it's been underspent every year. That's why there's the fund—and I'm going to ask my official what the actual name of the fund is—where the expired money goes into the fund, and that's where it's held in trust, because Manitoba Hydro was underspending.

Now we've noticed in the last year, all of a sudden there's a newfound desire to start promoting. In fact, I don't know if the rest of the committee got this mass of—16-page flyer on Power Smart.

In fact, they—their—it's called the energy efficiency deferral fund that's—and in there currently is approximately \$40 million, I understand. It's higher than—45?—so \$45 million.

And this is where we have—Power Smart is—you have all kinds of recipes. If we're going to become serious about saving electricity, if we want to become more efficient, we're going to have to do better than sending out recipes to Manitobans.

We are going to have to take it serious, and Bill 19 takes it serious.

Mr. Fletcher: I'd like to table a document from the Frontier Centre and actually it does support much of

what the minister has said about the legacy costs around Bipole III and Keeyask. It's called—the name is—oh gosh, I hope the whole report isn't like this—it's called Dam-Nation: Rolling the Dice on Manitoba's Future.

And there's another report that I'm going to provide called the elephant in the room about Hydro, but the author is a guy named Graham Lane, and it says here that, well, he's being called; the many Crown corporations, and is an adviser for the public—for the Frontier Centre. And he—this is June 13th; this is the first public document that I'm aware of—at the moment—that talks about the overspending or lack of planning. He called it. He called it before anyone else, and he's—and I'm going to present another document where this fellow and some others also called it on what we're doing right now with Bill 19.

We had no problem quoting Frontier Centre and people like this before the election, and I don't understand why we wouldn't listen to them now, especially since they seem to be the only ones around that have got it right.

So, in regard to the quote that the minister referred to, I know who said that, and my mom tells me that that person's a really good guy. And that quote is out of context and what it is saying is, when demand is below supply and your price is going up, you have a problem. And we have overbuilt. No one's advocating to build more dams. We're just trying to get through a bad situation.

Now, when demand—well, when supply far exceeds demand, the last thing you would want to do is reduce the demand—unless of course, you are dealing with, like, nuclear waste or something. Like, no one, you know—but we're dealing with very clean hydro power plus we're dealing with a Power Smart program that already does what this new Crown corporation is proposed to do, which nobody—definitely no one ran on.

The fact is that according to the Public Utilities Board, and we'll get to it—and again, Mr. Chair, I'd like to point out that most of this I'm doing off the top of my head, I have no officials advising me, I have no BlackBerrys or iPads referring to—so the Public Utilities Board, May 12th, their submission to tab 7 sort of on the demand-side management, also project that Keeyask will not become fully—there will be no return on that investment until 2040 to 2041. That is much further in the future than we've heard

any other estimates to be. That's from Hydro—that's from Hydro.

And, by the way, why isn't anyone for Hydro here? The minister referred to his time here, and I—and he's right, I'm just a newbie here, but I do remember when I was minister responsible for Canada Post and half a dozen other federal Crowns, and there was a issue which required 24 hours a day attendance for four days, plus, for the minister and my colleague, the Labour minister, an additional Sunday morning on the floor of the Senate. And we certainly had our officials there—not just officials, we had the CEO and chairman of the board. And I would really like to see them here or hear their comments.

Now, there might be an argument that, well, there would be a conflict. But I know the minister won't make that argument, because if they were in a conflict, then the minister, using that same logic, would be in a conflict. So I don't know why they are not here to support the minister.

Having said all this, Frontier Centre Policy Series, we're going to have a good time tonight reading what they have to say, particularly over time, as we have been talking tonight about the history of this, and I'm very pleased to help put that in context, especially when I was the first one, political person, to say so publicly, and that was the day—the morning after the bipole routing was announced.

The other reflection for the Chair—and I, again, would like to see anyone who is here from the public to provide or allow them to make a presentation, and, barring that, perhaps people here could provide three or four copies of their presentation to a committee member so that they can table that. But, in the interim, I'm going to table—and by the way, I have asked my aide to pull out the jelly beans. I am eating jelly beans. I offer jelly beans to the committee, but when the jelly beans come out, you know it's going to be a long night.

Thank you.

So I'd like to table this.

Mr. Schuler: I first of all want to put on the record that the energy efficiency deferral fund was ordered by the Public Utilities Board, and that is all the monies that is not expended on Power Smart, Manitoba Hydro must put into that fund. And it is currently sitting at approximately \$46 million. So I wanted to be very clear on that.

* (20:00)

I do want to deal a little bit with the urban legend, and there's this urban myth out there that we have this, to quote, massive—oh, sorry—excessive supply. It would be really helpful, colleagues, if you would understand that the problem with the Keeyask and bipole construction is the next five years. It's the risk that Hydro and Manitoba are at, why we are building an \$11-billion project.

So keep—let me put it to you this way. If it's a 10-year built, you borrow a billion dollars the first year, and the interest to pay for that billion. Second year, you borrow another billion, and that would be two billion, and you have to again borrow the interest on the two billion, and now you start paying compound. It's when you get into the last five years of your build, and especially in this case where we now have—we are not on time with it, I believe we're behind by about 18 months; that increases the amount of money that you have to borrow just to pay the interest on the money that you have borrowed.

So the high risk, currently, is the five years that we are in right now, because these are the most expensive years to be building Keeyask and bipole. They are the most intensive when it comes to the electrical components and the borrowing starts to get very heavy. The risk isn't that we have electricity; that is actually urban legend, and I've heard it spoken over and over again and, you know, I believe there was a politician in the United States who referred to something as news as not being exactly accurate. We have to be careful that we stay accurate when we put statements on the record. The problem isn't that we have electricity. The problem is that currently, we have a lot of risk. By the time Keeyask starts running water through its turbines, Manitoba Hydro debt will be sitting somewhere in the range of \$26 billion; that, on top of the \$22-billion Manitoba debt we will be tapping up against \$50 billion of debt as a province.

Our bond rating agencies, and they've said this publicly, there's no secrecy here, and they've said it to the previous government, and I'm glad to see the former Premier, the member for St. Boniface (Mr. Selinger) is here because they were saying it loud and clear to his government that because Manitoba Hydro debt is so great, they are no longer going to do an analysis just of Manitoba's debt and Manitoba Hydro's debt, but rather they're going to look at the combined debt of Manitoba and Manitoba Hydro.

So, again, it's not the electricity we have or the electricity we're going to get, because I would like to point out to committee that of the approximately 695 kV that Keeyask is going to produce, 500 of that is already spoken for to go on the Manitoba-Minnesota line to go down into the US. This is not—this should not be a debate about how much electricity we have, but rather, how much risk this—both these two projects, and I'd like to point out to committee that the Keeyask and bipole projects are currently two of the largest construction projects in North America.

These are substantive projects, and especially because they are in a remote community, everything has to be trucked up. They are running them on a jet system, which means just in time that we are running 250 trucks up there every day approximately. They go up on gravel roads. I've driven it all myself about a year ago. It is a tough drive. This is—or, these both are incredibly large complex projects, and even putting the hydro line in and the kind of train they have to work on.

So let's be very clear, the risk is not in the electricity that we have or the electricity that we're going to get; the risk is in the next five years, the kind of finances that we are going to be under—the stress we're going to be under due to the borrowing of Manitoba Hydro, and I wanted to be very clear on that. Committee members, I would suggest be careful on the terminology you use, because we certainly wouldn't want to be putting things wrong on the record.

I'd like to go back to demand-side management and to the committee. Demand-side management is not expected to do anything that isn't being done already, except that they're going to be expected to meet their target. There's going to be an expectation. Again, if somehow that target is deemed to be unachievable, the legislation speaks to that; that can be changed, and there's a process where that can go higher or can go lower.

I'd like to point out that Efficiency Manitoba can exceed that if they want to. They might find other areas in which they can find efficiencies. They can exceed that target. It's not an onerous target if you calculate it over the first year, the second year, the third year. But it will start saving a lot of electricity about the same time as the projections kick in where they—where the thinking is we're going to be needing more electricity. So what we are doing is building in an insurance policy for ratepayers that, as demand

increases—and that would be domestic demand—we would become far more efficient in the way that we use electricity today.

And I used the example—and anybody here who has children or teenagers in the house—I mean, how often do we go home and turn off not three, not four, not ten—I mean, I've suggested to the household where I seem to be paying all the bills that, you know, I'm fine with a few lights on, but does every light have to be on? And I've sat down and talked to what I refer to as the environmental generation, my children, is you've got to be more responsible in the way that you consume electricity because this is—if you will—this is all of our birthright.

And I've heard members opposite from the NDP compare this to our oil patch, and I think that's a poor, poor example, if you look at where the oil patch is today. We have something so superior to what any other jurisdiction has. Once our—the dam is built and the lines are in, we know what the ongoing costs are; we know what we have to charge for; and we go forward and we have an asset that can produce anywhere from 80 to 100 years.

So I would suggest to this committee: I've laid out why we had to continue with Keeyask. I laid out why we had no choices with Bipole. I've laid out the financial concerns. Let us finish these projects, keeping in mind the risk that we are under for the next five years. And then let's become much smarter. Let's become far more efficient and start building equity in our birthright. Manitoba Hydro belongs to us, the people. No one else, no other jurisdiction would cheat—would treat their birthright as shabby as we have as a province under the past 17 NDP years.

Thank you.

Mr. Kelly Bindle (Thompson): I'd just like to ask the minister if he's aware of any other jurisdiction having a similar type of agency in place as the one that is being forwarded by this bill or does this bill set precedent.

Mr. Schuler: Yes, there are jurisdictions where this is taking place, and I understand I'm going to be getting a piece of paper right away with all of them on there.

I would like to point out to the committee that there were jurisdictions where demand-side management didn't work. And what we have done is—because we all believe in progressive learning—we've looked at what it was that those jurisdictions, where it didn't work—what were the failings.

And we—it was the NDP that first brought in Philippe Dunsky, and we continued with him. We continued with the contract. He was—his contract was set aside when they went through their unity issues, and we continued with the contract. And he laid out for us in the legislation what would be the best way to put forward a demand-side management that would work, knowing where there were troubles in the past.

* (20:10)

So Nova Scotia currently has demand-side management in place, Quebec is moving towards demand-side management, Alberta has announced that they're going to be putting it into place; they've announced the process, and Ontario and British Columbia are considering it.

And again, the reason, if you go and you were to ask them why are you moving to this? It is exactly for the rationale that we've laid out here: that the construction now has become so expensive—and in our case, in Manitoba, under NDP construction projects—the cost overruns are so prohibitive that it makes it very expensive to build these electric generating projects. So if they've become so prohibitive to build, then what is the alternative? Well, how about becoming more efficient in the way you use your electricity?

So, yes, there are jurisdictions that are using this, and in the case of the ones that we listed, they are all new agencies like our own. We believe that people are starting to wake up, that to just continuously build, build, build, drive up a very high debt in your corporation and somehow think that that's a good business plan isn't working. And you see that not just, you know, here in Manitoba, but across the country.

Thank you for that question.

Mr. Chairperson: Mr. Johnson.

Mr. Scott Johnston (St. James): Mr. Chairman, with a T, please. My other colleague, we get confused: Johnson, Johnston.

The minister, you've indicated a great deal in regards to the need for efficiency and certainly conservation of electricity now and for the future. The new program, a new agency that you're initiating here, what type of conservation programs can we expect out of this new agency?

Mr. Chairperson: The Honourable Mr. Schuler.

An Honourable Member: Just a point of order, Madam Chair—Mr. Chair, sorry.

Point of Order

Mr. Chairperson: On a point of order.

An Honourable Member: I'm just trying to understand procedurally where we are at before, when the member for Assiniboia (Mr. Fletcher) was trying to ask questions, members of the Conservative caucus were trying to move past that. He then was tabling documents, and now we seem to have moved into a question-and-answer phase.

I mean, I have never in my years down here seen an entire group of Conservatives trying to block their own government's bill. So I recognize we are in uncharted waters here, entirely of their making. But can you help me understand where we are procedurally with the evening? Are we asking questions of the minister, or are we actually considering the legislation finally? Have the competing filibusters between Conservative MLAs run its course?

What's going on?

Mr. Chairperson: Mr. Schuler? The Honourable Mr. Schuler.

Mr. Schuler: I'm sorry.

I was tapping your arm, Mr. Chair, to tell you that Minister Pedersen wanted the floor.

Mr. Chairperson: On a point of order, Mr.—Honourable Mr. Pedersen.

Hon. Blaine Pedersen (Minister of Infrastructure): On the point of order, Mr. Chairman, I would certainly encourage the member from Wolseley to listen to the questions and answers being posed here.

This is a bill for Manitoba efficiency act and so if there are questions coming forward, there's nothing wrong with that. And so we're quite prepared to answer any and all questions, and the minister's doing a very admirable job, I might add, at answering these questions, and so if—unless the member from Wolseley has any particular order in mind to—that we could move on to clause by clause, I guess we'll continue to ask questions and have the minister answer them.

So we're quite happy with what is going on right now. So—

An Honourable Member: You're delaying your own government's bill.

Mr. Chairperson: Order. I've already warned members once to please, when somebody has the floor, please let that person speak.

Mr. Pedersen: Thank you, Mr. Chairman. I understand the member from Wolseley's patience is getting a little thin. It's getting late in the evening for him, but that's not a problem. We're here to discuss The Efficiency Manitoba Act, and we'll continue to do that as long as necessary.

Mr. Chairperson: I have heard enough on this. I feel that this is not a point of order. It is an opinion of what is being said.

* * *

Mr. Chairperson: We could continue on, but as long as people are wanting to ask questions we are on clause 1, and every member at this table is allowed to ask questions on clause 1.

Until questions stop being asked, we will continue to take questions and if not—if questions stop being asked, we will move on to consideration of the rest of the clauses.

An Honourable Member: A point of order.

Point of Order

Mr. Chairperson: Mr. Fletcher, a point of order, and I hope it is a point of order.

Mr. Fletcher: When did we move to clause 1? Because I've been tabling documents before that could have occurred.

Mr. Chairperson: In order to start debate, we put—I put the question on clause 1 at the beginning. After I put the question, then debate can be open, and so far up until now, we've had debate on clause 1. If there's no question on the floor, we can't debate.

* * *

Mr. Chairperson: Okay.

Mr. Johnston, you were the last person.

Mr. Johnston: Thank you, Mr. Chair. I thought I asked a reasonable question, and I'm a member of this committee, and I thought that nobody has a monopoly on asking questions at this committee. I thought that as an elected member of the Legislature sitting at the committee, that I had every right to ask questions, and I would expect that I would get the same respect that I give other people—*[interjection]*

Mr. Chairperson: Okay, we can get back into debate here.

I have already made my ruling on the point of order. There's no point of order.

Mr. Schuler: Well, I would like to thank the honourable Mr. Johnston for his question, and comes from a very fine tradition of legislators—learned to appreciate his father very much. He was a great man.

I want to start by answering his question by saying we can't stop and start demand-site management. It's a long-term endeavour that over time will help defer a new costly generation. We don't want to put ourselves into another situation that we are faced with as we are with Keeyask today. So I wanted to make sure that committee members here and Manitobans understand, that demand-site management is a long-term plan. This isn't something that, oh my goodness, we're going to save, you know, half the electricity we produce in Manitoba in one day. This is a long-term plan, and by the time it gets fully into swing is when we will see increased demand taking place in Manitoba, and rather than having to build more dams, we have to be more efficient in our use.

So I wanted to get to the member's exact questions. Programs will cover all customer classifications, so it will be residential, commercial, industrial. The new corporation will develop a plan that lays out the programs and services to meet the legislative targets. Many of the programs exist today but could be expanded, so also new programs could be added.

But what we want to do is we want to allow the professionals in the new corporation to tell us the most cost-effective programs to meet the targets.

I want to put another comment to this for those of you who haven't had the time to study the legislation like I have. This isn't just about hydro electricity. In the legislation Efficiency Manitoba could also be contracted—because remember, Efficiency Manitoba will put a program together and Manitoba Hydro will contract them to do the program for them. They provide a program to Manitoba Hydro, so they're going to be like a contractor.

They can also go to the City of Winnipeg, and we know that the aqueduct coming in is only so large, and as the city grows and I know there are models already in place that say that, you know, the aqueduct eventually is going to become too small,

and there again perhaps we should be more efficient in the way we use our water.

* (20:20)

So Efficiency Manitoba could be contracted to help the City of Winnipeg with efficiency in the way they use their water. That's contemplated in the legislation. Efficiency Manitoba can also contract itself out to other jurisdictions to help other jurisdictions with becoming more efficient, but it's—the user pays. So they're paid for their services.

We also put in the legislation, for instance, the trucking industry. We don't know what the federal government's going to end up doing with their carbon tax. That might be a fairly heavy burden for the trucking industry to carry. So they could approach Efficiency Manitoba and say, is there a way you could put some kind of program together to help us with our industry. So this isn't just efficiency for hydroelectricity, which is its main focus, but it's also meant to help us in other areas, because just like we know to build a dam up north has become very costly, so, too, I think, would we appreciate that putting in another aqueduct would be frightfully expensive. So, as we lead up to that, and that would be a discussion—City of Winnipeg, and we don't want to pre-empt any conversations there, that's not what we want to do. But we would put at the disposal for any jurisdiction in the economy to approach Efficiency Manitoba and say, you know, could you put a program together for us.

And I'd like to point out that the whole water and transportation demand-side management could not be accommodated under the current situation with Power Smart under Manitoba Hydro.

We believe that efficiency isn't just in electricity. We do want them to focus on that, but there are other facets of the economy we would like them focusing on and we believe that this could be one of those organizations that could become a pre-eminent corporation that could sell its services not just across Canada, but potentially into the United States and we would contemplate that, that they would take what they learn and be able to provide the service to other jurisdictions and we think this is an incredibly positive thing for Manitoba.

And we understand that there are those who sense change is coming and that's troubling because change means, you know, things aren't going to be the same. But if we want progress—if we want progress with Manitoba Hydro and we want progress

in our city, if we believe efficiency is where we should go, that we should be way smarter in the way we deal with our natural resources instead of viewing them as so abundant that we never have to worry about it, we'll never run out, there—it's going to be there forever and ever—if your view is that's not the way to go but that we should be good stewards of our environment, good stewards of what we have at our disposal, that we better be more efficient, and we believe Efficiency Manitoba is the right way to go.

This is a very exciting piece of legislation, and when this gets up and running, my hope is that we're going to have one of the most dynamic and forward-thinking organizations that's just going to knock the socks off of everybody. But I understand that in the meantime we have to get it through, you know, people who have a fear of change and we have to also make sure that we answer, you know, those questions and allay those fears. But when this is up and running I would suggest to you there'll be people—and I won't mention the member for Wolseley (Mr. Altemeyer) who will pull all his quotes out from the past about how he was the big supporter of it, even though he was for it before he was against it and then he'll be for it again, and I—this is going to be one of these that I believe Manitobans are going to look upon very proudly as an organization that's going to be on the forefront.

Not just are we going to have a very progressive, green Manitoba, we are also going to be a province that not just exports green hydroelectricity but also green thinking across the country and into North America.

Ms. Judy Klassen (Kewatinook): I need clarification on practices in committee. Will the minister table the document he held up, as I know that's what we'd do in House?

I quote the minister: if you want progress in society, you have to have change. So let's change right now and, for the record, I'd like to hear from presenters in the audience. How can we make this possible? Do I present a motion to do so?

Mr. Chairperson: Okay, the document that the minister, the Honourable Mr. Schuler, was holding was a public document which he needs no permission to have it here. It's—I'm sure—he doesn't need to table it.

And, if the member would like to pose to the committee the question whether we accept—we revert back to accepting presenters, you must ask for leave

to bring that forward and we will have a vote on it. You need to ask for leave to revert back to the presentation stage.

Ms. Klassen: It was my understanding that this was done at the beginning of the meeting.

Mr. Chairperson: It was, but it can be done again.

Ms. Klassen: I ask for leave to revert back to the presentation stage.

Mr. Chairperson: Is there leave?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Mr. Chairperson: I hear a no. Leave has been denied.

Ms. Klassen: Thanks for the consideration.

Mr. Chairperson: Mr. Altemeyer, you wanted the floor a while ago.

Mr. Altemeyer: No. I had asked my question earlier as to—it was more a procedural matter in terms of where we were at with tonight's committee. Our caucus position, I think, is pretty clear. I've made our position pretty clear. The government's making its position not very clear, because we're getting different views on it from different members of the government caucus.

So, yes, this continues to be a very bizarre and disorganized evening. The minister has had since last week to try and address the concerns that his colleague brought forward at that point in time. There were several hours of deliberations that, if the minister had forgotten, he could have reviewed in Hansard.

I have never seen a government filibuster its own bill. This is really quite remarkable. And it's now not just the minister and the member for Assiniboia (Mr. Fletcher); it's the entire membership, as near I can tell, from the Conservative side of the table contributing—you know, asking questions, which they could have done at a time other than committee. But I am perfectly content to let the Conservative caucus debate this matter all on their own for whatever bizarre reason that they feel the need to take up however many hours tonight that they need.

This is not a reflection on me; it's not a reflection on our caucus or the independent members. And I thank the interim leader for the Liberal Party for attempting to give the public a voice tonight, same as

I did, and, you know, her suggestion was shot down, same as mine was.

We do have amendments, if ever we get to that stage, that talk about job creation and how you can do a better job in this legislation creating more work for more Manitobans. We've got amendments here, which would properly recognize the role of staff. We've got amendments here, which would place a greater emphasis on that minor, little issue known as global warming, widely recognized as the biggest single issue facing our planet at the moment, and we have some accountability measures.

But the government doesn't have its own act together, and so we have this internal feud aired in public, chewing up committee time. Members of the public would like to share their views on it; they've been denied, and now, different government MLAs are going to take turns enjoying the sound of their own voices.

So I wish I had something more to add to tonight, but my basic question for you was, Mr. Chair, where are we at procedurally, are we just asking questions or are we debating, and you clarified that, and I thank you for that. And you have put the onus back onto the government MLAs who clearly got the short straw tonight in being in this committee meeting, but we will just have to play this process out.

* (20:30)

I have—I've never seen an entire government side of a committee table work together to delay the passage of their own bill, but here we are.

It's 8:30 and lots of entertaining hours yet to go. So be it. It's all over to you guys. Let me know when you're ready to discuss amendments.

Mr. Schuler: Well, for someone who has nothing to add, the member for Wolseley (Mr. Altemeyer) sure has lots to say. And he says he's never seen these things; well, maybe he should have showed up for more committees, because I've seen all kinds of stuff at committees which is interesting and dynamic. And, I would say, there were times at committees that clearly he wasn't present where there was all kinds of discussion.

Mr. Vice-Chairperson in the Chair

We happen to think that, you know, we had—we gave a lot of time last week for public presentations. It was all by the rules, and I know members who—you know, we look to Mother Parliament, in Ottawa; it's all about the rules. We have to run things by the

rules. And we, certainly, at the Legislature want to make sure that we also run things by the rules. We added time. There was ample notice given for public presentations.

We are now in a discussion on the legislation, and this is very healthy. This is a very dynamic, outstanding piece of legislation, and I have no difficulty sitting here for the rest of the evening talking about how great this program is.

In fact, I would like to point out to committee, and they will be very interested to know, that this new Efficiency Manitoba, the new corporation, will have a sole purpose, and that sole purpose will be demand-side management. And it's not going to be in a conflict—in a—conflicting objectives.

For instance, currently, they have Power Smart on the one side, and, on the other side, they build dams, sell power, export markets, sell natural gas, et cetera. What we are going to do is take that out of Manitoba Hydro, so we believe that there will be no corporation that will be more aggressive in seeking energy savings—exactly what the member for Wolseley seems to be so hot and bothered about, and we're so excited about that. He's almost, sort of, kind of come our way maybe from his original position was supporting DSM to then not supporting DSM, and now he's sort of in the middle.

But we believe that Efficiency Manitoba will be very aggressive on energy savings and reducing greenhouse gas emissions. We believe that this is going to be one of those dynamic—again, one of those very dynamic corporations in Manitoba.

And I'd like to point out to members—is that there are probably individuals in Power Smart right now who might have wanted to go further in pushing various programs but were hamstrung with the fact that they were part of a corporation that had just gotten into an \$11-billion construction project. And we've heard the conflicting information coming from various individuals who self-identified as having worked, at some point in time, for Manitoba Hydro, and we understand that there was an inherent conflict. That's why Power Smart was consuming 44 per cent of every dollar spent on Power Smart—was being spent on overhead. That's why we understand that there is 45 million of expired dollars that were never spent on Power Smart, because why would they? They're engaged in this massive hydro construction project, and they're in a conflicting position.

We're going to put together a dynamic corporation, and I'm glad to see that the member for St. Boniface (Mr. Selinger), former premier, is here, and I know he's thinking right now that—how exciting this would have been if it had been his government doing it, because we know full well they would have done this. It was part of their platform, it was part of what they committed to—was one of their promises that they made. It's just that—the way it is, we're going to get it done.

And it—I would—I've made the argument before and I'll make it again: that when it comes to environment and environmental issues in Manitoba, it is the Progressive Conservative governments that always push the environment to the forefront. They're the ones. And it was under the honourable Glen Cummings that we got the whole blue-box program, that we got the recycling program, that we got all kinds of positive programs for the environment in Manitoba. And, under the NDP, they never had a target that they didn't miss. They missed it.

And we're not talking like horseshoes here. We're not talking that they came close to—you know, close. They missed it by a mile. I mean, they might as well have turned their back with the horseshoe and thrown the horseshoes the opposite direction of the peg. They never, never met a target that they set for themselves. And they were called to account year after year after year. And the environmentalist groups called them to account year after year after year.

We are now going to do what the so-called, self-proclaimed environmentalist NDP never could get done. And we are going to bring in Efficiency Manitoba, which is going to—it's—as its sole purpose make the consumption of electricity be done so in an efficient manner. That has been lacking for a long time, and it was identified four years ago through the whole debate of the NFAT. This is hardly something new. In fact, the rest of the country is going there. And members of the committee—ladies and gentlemen—isn't it exciting that we are in the forefront of this nation in bringing forward Efficiency Manitoba, demand-side management? The rest of the country is going to follow us.

Mr. Chairperson in the Chair

And we know there are going to be naysayers, and we know there are going to be those who are frightened of change, who are scared of change, who can't see their way—the forest for the—through the

trees. We know that this is going to be dynamic for Manitoba. And this is going to be dynamic for our economy. This is going to be dynamic for where we want to go. And we now have a federal government that wants to go on the punitive side with a carbon tax. We happen to think that this is the right way to go about helping the environment—that we're going to go through it in a very progressive way. This is a dynamic, outstanding piece of legislation that's going to do a lot for Manitoba. It's going to put Manitoba on the forefront of the environment. It's going to put Manitoba on the forefront of being efficient when it comes to consuming electricity.

And I—when this gets into place and Manitobans see how successful this is and how exciting this is, you're going to find all kinds of politicians in all kinds of different political parties trying to take credit for it. And that's fine, because we'll be okay with that because it is such a good idea. In fact, you're going to have New Democrats say that we were for it before we opposed it. This is the right way to go and—for all the reasons that we've laid out.

That—the fact that all the way back when the Wuskwatim was built, there already was the basis for why we needed demand-side management. When even a small dam—initially, the projections were \$800 million and, with Hydro line all in, ended up being \$1.6 billion. That—the government of the day couldn't see that you can't continue that way. There is no way that you can move forward and keep building hydroelectricity production at—in the case of Wuskwatim—at double the cost. But, you know, not learning from the past, went into Keeyask. Keeyask, a \$6.5-billion is now sitting at 8.7. And the Bipole III line, which I can remember the honourable Dave Chomiak—I was his critic for many years—he would get up and with flare and great fanfare wave his hands in the Chamber and say, it's going to be cheaper than free. It's going to be free; it's going to pay for itself. I think we're sitting at now \$4.7 billion. Only on the NDP can \$4.7 billion be free.

* (20:40)

It is time to do something different. Efficiency Manitoba's the way to go. And, in fact, I would point out that, really, the cheapest electricity is the electricity that you save. That is the cheapest electricity.

Thank you.

Mr. Fletcher: Mr. Chair, I'd like to table—though we're in debate, I do want to table the Manitoba Hydro-Electric Board Quarterly Report for the six

months ended September 30th, 2016—so last September. And why I'd like to do this is I'd like to draw the committee's attention to other segments of Manitoba Hydro, including Manitoba Hydro International, Manitoba Hydro utility service, mill, pipelines, Teshmont Holdings. Their net income was \$3 million—it was \$2 million lower than the equivalent period the year before.

So we want to—they're going to be creating another Crown, and I appreciate the minister's comments about keeping it accurate, because accurate comments will reflect that our platform did not say that we were going to be creating a Crown corporation. Accurate comments would reflect that the mandate letter does not say that we're going to create a Crown corporation, and nor does the Throne Speech.

In regard to—and I appreciate the minister for expanding the discussion, because we are on—talking about the mandate, and he's quite right that the mandate is far, far broader than most of the discussion has focused on. And I also appreciate the fact that the minister has brought up other aspects. Like, I'd like to know, for example, why this act is exempt from The Corporations Act as outlined in part 2 of the act, section 3(1). The—why would that be? Why would this be the only piece of legislation that would be exempt? I don't know, but perhaps the minister can provide an answer.

In regard to water and the aqueduct: wow. Talk—this is mission creep, I fear. Even if you accept that we were running on something, nowhere did we—that I'm aware of—did we talk about—and I'll table the platform—talk about dealing with freshwater distribution. And now, I'm just new here, but I did spend seven years reviewing every single international treaty the federal government has signed or renewed over that time, and again, without breaching any Privy Council commitments, I can say that this corporation—Crown corporation is, if it's getting involved in potable water, is heading into a whole huge world of grief.

We have the international joint boundary waters treaty with the United States. This treaty governs external—this is a federal area responsibility. Winnipeg could not expand its water supply into CentrePort, because part of CentrePort is in Rosser. And so the First Nations communities objected, they took it to court, and they were successful. So really, we want to enter that world? And the—especially when it's not really quite transparent in some perspectives as far as what the mandate is, it's energy

efficiency act, but we're talking about potable water and the distribution thereof.

There are other organizations that can provide these services, but on energy, we have that. It's called Power Smart. It's already in Manitoba Hydro. It seems to be doing okay. I caution the minister about the overhead costs because a review of all the departments would show that that overhead cost may not be as outrageous as suggested. Now, that's another issue.

The fact that this organization can sign contracts, well, that's fine, but why can't Power Smart? It does already. Hydro International does it.

Now, the issue I asked—I really wish the minister didn't make the issue about a conflict between the two, like, I really do, because if you accept that logic, then the minister responsible must also be in a conflict. That, Mr. Chair, is a very bad situation for everyone, and I don't necessarily buy into the conflict argument and I would rather it didn't come up, but it has, and just from logic, if Hydro's in conflict, then the minister responsible for Hydro must be as well. So, where does that lead?

We talked about mission creep.

Donald Trump, our buddy to the south—actually Wab Kinew, I think I bugged him about, you know, not—that he shouldn't probably support that guy—but, in fact, he is the President of the United States. He's gonna perhaps withdraw from the Paris accord. The economics are going to go upside down if he does and we're going to have a lot more issues to deal with.

Now, as far as money not expended, that seems, in the financial context, all right, because we have a cash-flow problem, as we've been talking about all night. So, if money's not expended, presumably that can go towards cash flow, or debt, or, you know, deal with rates, whatever.

Now, Mr. Chair—how much time do I have, Mr. Chair?

So I've tabled this report. I've highlighted—one, two, three, four—and I appreciate the minister moving from the talking points to talk more about the bill, because it really reveals that this a much bigger deal. I would rather—I—you know, why not wait? What is the hurry? There is no hurry. Demand is going to go down simply because prices are going to go up, for that very reason. We have representatives from—

employees of Hydro present, and they seem to be satisfied.

You know, as the evening goes on, I've all sorts of interesting factoids about Power Smart, about Manitoba Hydro, about supply management and demand management, and what experts have to say on this, and you combine that with the obvious build-up of public interest and, in my view, a lack of public consultation—even tonight, when we've had the opportunity. We should just collectively reflect, discuss, delay, revise, replace, if necessary, and move forward with a plan that most people can agree with and that doesn't cost—or doesn't compete against the very institution that is, the minister says, in conflict. So we have the Crown corporation minister's responsible for, going to pay for all this to reduce demand for the product that corporation creates. And that product isn't so bad given—

Mr. Chairperson: The member's time has expired.

* (20:50)

And before I recognize the Honourable Mr. Schuler, I'd like to remind the member that we are on clause 1; he has been asking questions, like, I've been very lenient about allowing questions and answers. But you're asking questions from clauses 3 and 4 and the mandate. So I would suggest, if you'd ask—if you'd like to ask those questions, we should move from clause 1 on to clause 3, clause 4, et cetera.

An Honourable Member: Can I respond to that, Mr. Chair?

Mr. Chairperson: No, I'm just making a comment.

Mr. Schuler: Well, actually, and I would appreciate committee members if you would ask one question and then I could answer it and then, you know, we do it that way. I think there are about five different questions that were asked, and I'll—I've tried to write them all down.

First of all, I don't know if everybody received a copy of the bill, if they were distributed to everybody, but I would suggest to members that they look at the bill; it is called Bill 19, The Efficiency Manitoba Act. It is not the energy efficiency Manitoba act, as has been falsely put on the record. It's actually The Efficiency Manitoba Act, which is why it allows for the corporation to go into other sectors and help with efficiency. It is not just energy; it also allows it to go into water, and so on.

In fact, Efficiency Manitoba will also be able to work with municipalities. And the question was,

should this corporation want to help with water conservation in the city. Absolutely, that would be a great place because our city is going to find itself struggling at some point in time, because the aqueduct is only so big, and we should start looking at how we can be more efficient not just in electrical use, but also water consumption and in other areas.

So there was also a question about the—this conflict with Power Smart and Manitoba Hydro. Well, actually, it was identified by the professionals—the engineers and other individuals at the NFAT—it was identified to the Public Utilities Board that there was an inherent conflict. So it was identified by the professionals, like engineers and other individuals who were brought together and identified it.

The next one was about Hydro International. Now, I take it there are some members at this committee who think very highly of Hydro International. And I suspect when it was first created that there were individuals who fought it because it was change, and Hydro International has gone, not just in North America, it's gone to different countries, it's gone around the globe in helping others in how to build a hydroelectric system and has helped them with consulting.

So, just like with Efficiency Manitoba, so, too, I'm sure, Hydro International had all kinds of critics. Why do we—we never had that before, why do we need to have that—it ended up being an arm of Manitoba Hydro that has done quite well.

We believe Efficiency Manitoba will be one of those that we'll be able to work with. A lot of sectors will not be in a conflict as identified with the professionals, like the engineers and individuals who are in front of the NFAT and identified it as a conflict. So we think this is going to be a very good project. It's going to be a very good corporation. It's going to be very exciting for Manitobans.

I would ask the committee—there was one other question, and it is very technical in nature and it has to do with The Corporations Act and the corporation.

Would the committee give me the indulgence, I will get the information because I want to make sure I get it absolutely right for the member because he asked a question on this, and I want to make sure we get the technical information. So if the committee would give me one moment, I will get the proper answer for the member.

Okay. The Corporations Act does not apply to this Efficiency Manitoba corporation because its

provisions are inconsistent with the provisions of the bill. There are over 40 statutes in Manitoba that The Corporations Act does not apply to, and I'll be listing a few of them.

This is a standard provision for this type of legislation. For instance, it does not apply to the Hydro act; it does not apply to the MPI act; it does not apply to The University of Manitoba Act, and I have a little bit more information if the committee would indulge, because we want to make sure we get all questions answered appropriately.

It has been pointed out to me, if one would look at page 5 or section 3(2), except as otherwise provided in the regulations, The Corporations Act does not apply to Efficiency Manitoba.

That means—and this is a standard provision put into all the corporations—that, if need be, it can be done by regulation, and this is done as a standard provision in all the—all of the corporation acts that we have. For instance, it would be in the U of M act, it would be in MPI's act, it would be in Hydro's act, so on and so forth.

So, if need be, it could be done by regulation, but it is standard across approximately 40 different acts for different corporations in Manitoba. I am more than willing to answer more questions on that, if there are further questions, but I hope that helps to explain a little bit of why it is not covered by the Manitoba act.

Thank you.

Mr. Marcelino: Considering that there are members of the public who wanted to make presentations, I took it upon myself to get the written submissions that they would have had. And there was a summary of one.

This is from Caroline Shaver, and the contents of this note is to quote Mr. Schuler: open quote, you must have change to have progress, period, close quote. Guess what, question mark, I concur with 78 per cent of Manitobans who commend our existing Power Smart program, period. Here is my quote—my is underlined, for emphasis, I think—quote, if it ain't broke, don't fix it, exclamation point, close quote.

And there's another one, and it reads as follows: Thank committee. Here as a citizen now versus representing our—an organization. I'm still against

Bill 19 for many of the same reasons that all presenters gave, but would like to add a few more thoughts as I consider how the future generation will be affected by this premature plan, Bill 19.

* (21:00)

It's no secret that the export market for surplus energy is not as strong as it used to be, and although it may yet improve, steps to be—must be—steps must be taken now to mitigate these effects. The current soft state of the export market means that alternate domestic markets must be encouraged and pursued whenever possible. We need to look further than traditional methods and markets; we need to find innovative solutions and this can continue to be done from inside and outside of Manitoba Hydro.

Climate change is real, and it is not a matter of whether we will see change but how much change we will see in our pursuit of strategies that influence emissions reductions across as many sectors as possible. Advances in the transportation sector can bring even more gains in terms of reduced GHG emissions—I think that means greenhouse gases—and increased domestic load. For example, promoting electric vehicles used in public and private transportation will deliver benefits to Manitobans now and to our children for years to come. Both of these areas cannot be overlooked. In 2014, these two sectors combined produced about half of GHG emissions in Manitoba.

Restoring the energy efficiency act for home heating programs and adding tools to make improvements in transportation sector emissions has the dual benefit of reducing emissions and increasing economically preferable domestic load. If and when export sales return to historically profitable levels, Manitobans will be happy, knowing they were well served in the meantime by energy savings programs that combine energy saving with responsible climate change actions and put Manitoba on a sound environmental and economic footing. And it goes on.

Now, the last paragraph, because I'll be tabling this to be part of Hansard: For the sake of the future generations and the burdens they will face, please stop Bill 19 and re-evaluate your position to consult more and come up with a plan that addresses all the points raised by the speakers to this bill. Thank you. Chris Mravinec, private citizen.

And I'm giving this to the page so that this could be copied and given to the Clerk of this committee so that it could be part of Hansard.

Now, the question is, to the minister: Does he agree with any of those that were quoted by myself as though they were presented by the public?

Mr. Chairperson: The Honourable Mr. Schuler—Mr. Altemeyer.

Mr. Altemeyer: Just a quick point of clarification. I believe my honourable colleague from Tyndall Park is interested in seeking leave of the committee to have the documents he was referring to included in Hansard rather than tabling. So that was all. That was the clarification we were seeking.

Mr. Chairperson: Is there leave of the committee to have the documents tabled by Mr. Marcelino included in Hansard? *[Agreed]*

Mr. Schuler: We have sat at this committee and laid out the financial risk to Manitoba ratepayers and Manitoba taxpayers. We have laid out that bond rating agencies are concerned about the debt load being carried. We have laid out that no longer is Manitoba Hydro viewed as being able necessarily to handle its own debt. The bond rating agencies now view it as Manitoba debt. And the comment that if it ain't broke, don't fix it, I'm surprised. There is something that needs fixing. We are going to be a province that's going to be tapping up against \$50 billion in debt, with 1.2 million people. And if people don't find that that's a problem, then good for them. It is something that causes me great anxiety. That is a problem. And, yes, we must address it. To put your head in the sand might work in other places. But those of us who are elected to show leadership in this province, this is not an option. We as the government were elected to fix it.

The comment was made that the US market might be soft. I'd like to point out the US market is currently going to buy, as soon as we have Keeyask done, 500 kV. We're building a line; it's called the Manitoba-Minnesota transmission line, and they are buying it. I would caution members of this committee, and I would caution Manitobans: don't believe everything you read in the newspaper—with all due respect to my colleagues in the newspaper—or everything you see on TV. The United States still has individuals that turn light switches on. They still have people who like their air conditioning running. There are still individuals that want to use electricity. There is still a market in the United States for electricity. In fact, 80 per cent of all of our exports go into the United States. Now, the argument that we should be looking at other markets is very sound advice. Absolutely, we should be looking at other

markets. Fact, I would suggest, in Confederation, one of the biggest mistakes should go down in history, when Ontario cancelled the Conawapa deal with Manitoba. They actually paid out \$50 million to get out of the deal, and walked away from Conawapa. If they would have gone with that deal, they would not be in the mess they are today. And it's very unfortunate for Ontario for what they're going through right now. If they would've stuck to that deal, it was a good deal for Ontario.

Now, we have provinces to the west of us. We know that Saskatchewan has 44 per cent of its energy is coal, approximately, and Alberta is in the range of 70-some per cent. We have neighbours very close to us that we could be selling electricity to, and previous government and our government certainly were looking at that, and we will continue to put that forward as a alternative to the difficulties they are going to have. The carbon tax is going to affect the percentage, and I'm just going to get a note here. Saskatchewan and Alberta are looking to phase out coal generation by 2030. That sounds like a long time, but actually isn't; that's only 13 years. That's not a long time. And within that time frame, Manitoba could be well positioned to be selling electricity. But, again, we've got to be very responsible. We can't just keep building 'hydroelectric'-electric dams at a very expensive cost and then selling it off without saying that we've got to be more efficient in our hydroelectric use.

So US market being soft, well, we're still selling to the United States. Advice that we should be looking to other jurisdictions, absolutely, we will continue to do that.

* (21:10)

And so far as electric vehicles, I would tell the public and the committee, if you go to page 33, section 40(1), and go to item (b) and (c), first of all (b), potable water that is consumed in Manitoba; and (c) fossil fuels that are consumed within the transportation sector in Manitoba. So the electric vehicle market and the work that needs to be done there is contemplated under Section 40(1)(c). It's contemplated in the legislation and we would agree we—I drive a hybrid. It was very unique. First time I got in I thought they'd given me a car that had broken down because it didn't start, 'til you realize the first 30 seconds or minute and a half you drive and then when it needs the power, the engine turns on. And I don't have the opportunity to drive the biggest SUV

that the member for Elmwood (Mr. Maloway), so I have a hybrid.

An Honourable Member: It's the King Ranch.

Mr. Schuler: It's King Ranch—that his bumper is about where my teeth are in my vehicle, but you know he has a big vehicle. Maybe we can convince him to convert to a green vehicle and go with an electric vehicle. They are magnificent vehicles. For anybody who's been in a Tesla, I would point out to members that the airport in Amsterdam has an exclusive contract with Tesla. They do all the taxi service into Amsterdam. It has to all be electric vehicles.

There is a lot of room for us to grow in that market. It's exciting. This is something that is, you know, the next generation is going to be probably—well, we hope a lot more interested in, and we know that Efficiency Manitoba is going to be one of those dynamic outstanding corporations that is going to be very forward-thinking, very forward-looking, and we're really excited about that. We appreciate the comments the member put on the record. I hope that helped to address some of his questions.

Mr. Fletcher: And, again, just for reference, my comments are dealing with the purpose of the legislation, which refers to section 4, part 1—or clause 4, part 1, in part 2, clause 4, part 1(a), so we're still on that first one, and I want to be very clear about that.

I, also, while we're talking about the purpose of the legislation, I'm pleased that the minister made the correction that many of us have been saying, and that's energy efficiency Manitoba. It's Manitoba efficiency. He's absolutely right, and I wonder why that correction or comment wasn't made earlier.

Is there anything else that we don't know that should be corrected for the record?

I also wonder if—the minister made a comment, and I'm sorry that you misunderstood my intent. I referred to hydro—Manitoba Hydro International, but it wasn't to be positive. That is not turning out to be a good thing, in my experience. I have been involved in reviewing, through another occupation, in another place, far away, reviewing hydro projects across the country. In fact, I helped put round tables together, put together a \$40 billion Building Canada Fund, and actually my frenemy from Elmwood was there, and this—the fact is there are many, many comments that have been made that actually I agree with as far as

the export is concerned, and I wish we would focus on that.

I'm pleased the minister has obviously been reading the dozens of articles I've written on this topic or media queries or member's statements that I've made or comments I've made in that other place, so I am obviously supportive of that. And I also really—well, with all due respect to the NDP premier, when he became a Liberal, I was able to point out the follies of his ways when he cancelled Conawapa when he was an NDP premier.

Anyway, my point is this: demand-side management—the minister has brought up Ontario, and I'm glad he has, because Ontario has pursued a demand-side management. In fact, Mr. Chair, the—Hydro sent out a brochure to all our mailboxes, and the last paragraph of that brochure pointed out that, in Toronto, demand-side management led to 11 per cent decrease in electricity consumption. They're using Toronto as the example. What a joke. Toronto—their energy distribution 'comprises' of nuclear power, some hydro, coal, gas, wind. They have meters that have—they can't even get a hydro bill right. That organization is a disaster, and the—a lot of that goes to their demand-side management—the same demand-side management that has been used to—as an example, to justify demand-side management Manitoba, where our energy profile is completely different, the demographics are completely different.

And, Ontario, because their hydro prices—hydro rates have gone through the roof, that's why the demand has decreased in Toronto. And that's what's going to happen in Manitoba, because that's what happens. And I—Mr. Chair, again, we have this—we have Power Smart. It's in place. The bad experiences with Manitoba Hydro International, and I think you can look at public—the public record and you see that Manitoba Hydro International—or, Hydro International was a consultant for the power scheme of Muskrat Falls and Churchill Falls. And we know how that's turned out.

So all I can say is, I encourage one to find that report and compare it with the reality of today and ask yourself, were they correct? Did they provide good advice? Is this something we want to export?

The fact is, we did not run on Efficiency Manitoba. We did not run on creating a new Crown corporation. We did not run on using heavily-subsidized alternatives that generally only, you know, wealthier people on the spectrum can afford at the 'xpent' of poorer people. And now we're going

to—and the poorer people are—because they're going to be paying for it, like everyone else, through the rates. But the people who install this stuff have a sweetheart deal, and their rates are going to go down. But they're the ones that have the disposable income to deal with that.

Think about renters. You know, you can't put solar panels on your balcony. Or wind power in your—on your balcony. You know, light bulbs, yes, you could change the lightbulbs. Is that going to be a difference? Maybe you don't even have the cash flow to do that. We have to think really carefully about this. And all through this whole thing, the supply exceeds demand and the power—and the Public Utilities Board, and I encourage everyone to go to that submission from Hydro, tab 7, and see for yourself. That's March—that's May 12th. And, if we have time tonight, hopefully, I'll be able to table that material.

* (21:20)

Mr. Chair, again, I would like to respectfully suggest that we reflect—there's no hurry, and there could be ways that meet what people expect of a Conservative government, and that is a stronger economy, lower taxes and better public policy. That's what we ran on. That's what's on the cover of our platform, which I will table later.

The issue, Mr. Chair—at the last meeting, the minister referred to Rogernomics, in New Zealand, and I would like to table a report about Rogernomics. This is a Labour government in New Zealand who shifted from supply manager in Crown corporations to other methods of delivering services, and—yes, I have the three copies. And I remember this, when I was a kid, because my family, or at least half of it, lives on the South Island of New Zealand, and this is where I acquired my dislike for Australians, actually. The—and, of course, the All Blacks are the best rugby team in the universe.

But, having said that, this paper by Roger Kerr, who is the executive director of the New Zealand roundtable, presented this to the Frontier Centre for Public Policy, in July 2010—long time ago, still—but—

Mr. Chairperson: The member's time has elapsed.

Mr. Schuler: Well, I don't think the member meant to say that Power Smart is the cause of Manitoba Hydro's current problems. And I wouldn't blame demand-side management for Ontario's hydro problems either. I would suggest you might have to

scratch at the political surface a little bit to find out that there were some very poor decisions made. I don't think we could pin Hydro's current problems on Power Smart—certainly, I wouldn't make that argument. I think Power Smart has done some things right. We, however, feel that Power Smart could end up becoming far more efficient and far more dynamic and far more aggressive; it's going to have—we'll be the first jurisdiction in the country that has legislated targets. We want to see some type of targets achieved.

And I find it very important to mention to the committee that why wouldn't you support the more efficient use of hydroelectricity, and especially those of us who believe we should be good stewards of the environment, that believe we have to leave fresh air and clean water and green spaces to the next generation. We should leave it at least like we found it and perhaps even better.

And I don't know if members of the NDP are now going to put forward a platform in which they would rather see a wasteful Manitoba corporation, where we try to sell as much hydroelectricity, as wasteful as possible, and get people to use hydroelectricity, as wasteful as they can, because somehow that would drive up sales. And I have no idea where that—they would go with that. I mean, I think every clear-thinking Manitoban would like their government to put forward legislation, like we have, that is about efficiency.

And the member did mention that, why did I not clarify on the record sooner that it's called Efficiency Manitoba, not energy efficiency Manitoba. I would again point out to committee that the act was handed out—we all should have a copy in front of us—it was put on our desks when it was proclaimed, and it was on the Order Paper, and it's been talked about and debated and it's always been Efficiency Manitoba Act.

So we would like to see this very forward-thinking, progressive and dynamic piece of legislation move forward. Let's get the job done. We have been at this for four years.

I understand that there's always a temptation to come into new job and say, wow, you know, the world was created the minute I walked in the door. That's where all history and all everything begins. And, you know, it—perhaps for some individuals, that might be the case, but there has been a lot of work done on Efficiency Manitoba.

The member for St. Boniface (Mr. Selinger) who is sitting at the table here today, the former premier, did all kinds of work on it. He was in support of it. Now from what our party—we understand, they might have been in favour it before they were for it, and we're not too sure if they're for inefficiency or efficiency, but we'll find that out soon enough.

But the work was started four years ago by an order-in-council. This has had a lot of debate gone into it. A lot of work has gone into it. A lot of professionals, individuals from Power Smart, have been part of this process. A lot of engineers have been part of this process. This has been vetted and it's time to move on. It's time to get this done and get something dynamic and progressive going for our economy and for our ratepayers and for our province.

Mr. Fletcher: Mr. Chair, again, my comments refer to part 1, the first clause, the purpose of the bill, section 4—or clause 4 in part 2, part (a).

The assertion that consultation has occurred, I wonder about that, as we have seen there was only 48 hours notice. There doesn't seem to be any will to talk to anyone who's here for public consultation. There's no one here from the Hydro board. I'm not sure where this is—where the push from the public is.

The media, eight days after our last meeting, did publish an article in the paper, and I did read the first 101, 102 comments, and they were universally, in various degrees, strongly suggesting that we reflect. And I'm being very polite with the words. The—and some of those people put their names to it, and some of those people are very well-known individuals in the engineering community.

They—I wonder why they don't agree. I wonder why there's no one that has been mentioned here. Why hasn't—why wasn't there one delegation to support demand-side management if there was so much public support? Usually there would be one; that's just standard procedure for government, because you know when it's coming, tentatively, but there wasn't one. Perhaps that's because there isn't one. I don't know. But one has to wonder.

I have here—and I'm going to table it when my time's up, Mr. Chair—but we now have talked about things beyond Hydro, things that weren't in the mandate letter for the minister or the platform of the party or the Throne Speech. And that is interesting, especially since we're hearing that there's been a lot of public consultation. Well, then let there be public consultation and other forums and other committees

that—like, this would not—you know, we'll have to discuss this process another time, but this has got to improve. But it is what it is, and here we are.

Mr. Chair, the—I hope—by the way, point of clarification, did that document from Roger Kerr get tabled? Sorry, go ahead. It did? Thank you.

* (21:30)

Well, I'd like to table this. This is a poll that was done. You always have to be careful with polls, I understand, but given the fact that these people or organizations did come and present, I think it's only right that this material be part of the record.

It's—their polling says based on what you might have seen or heard, experienced, you strongly support—so I'd support—so I'd oppose—strongly oppose the Power Smart program. Ninety-four per cent support Power Smart—you can go to the next page—78 per cent support the other way—support the current Power Smart program—next page. Again, I—and I'd like to table that.

Mr. Chair, the fact is, the track record has been mixed, shall we say. I'm not—I haven't—the Muskrat Falls, Churchill Falls experience, which, incredibly, is worse than, in my view, than what we see in Ontario or even in Manitoba on a per capita basis. But again, they made some mistakes and be foreseeable, and really don't want to see that. It's already happened to Manitoba to some extent.

But again, back to the purpose of the legislation, what are we doing? We need to deal with the cash flow issue, we need to deal with the excess of supply, there is an excess of supply, and the demand—and the projections for demand are not what Hydro has stated over time, and I'm—I have all the charts for their historic projections, which I'd like to table. And in almost every year, the projection is much higher than actual, and that is the case this year. Again, I'm just doing this off the top of my head, but PUB, Public Utilities Board, projects a 1 per cent increase in demand, Hydro is 1.5 per cent. You say, well, .5 per cent, who cares? But that's 50 per cent. That's a big difference, and how does that—and who's right? Well, the Public Utilities Board has turned out to be right in most cases when it comes to those kind of projections.

And in regard to the agency and the recommendation from four years ago, the world has changed dramatically from energy consumption to usage to environmental policy, and it's changed in a

way that doesn't favour Manitoba Hydro, which is all the more reason to look at maximizing, as much as possible, the usage of Manitoba—and by the way, every unit of energy used by Hydro is cleaner than any unit that is displaced—and cheaper, at least at this point.

Now, if you follow through the supply chain of some things like wind power and solar power right to the mining of rare earth minerals and GHGs and—you may find—oh, and dispose on remediation—you may find that it's not as lucrative. And you can talk to the people who have the windmill farms in southern Ontario, and not only does that cost a fortune, relative to—you know, for the average ratepayer, but it kills birds, it's causing apparently health—negative health effects. Like, there's all these things that we still need to investigate when we're dealing with quote-unquote efficiency. And what—for what? Manitoba, we have the supply and any supply that we don't use is water down the river—doesn't go to the bottom line. We can export as much as we can, which is good, even if it's a fraction of the cost of Manitobans pay because the variable costs and the fixed costs—fixed costs are fixed. So anything we can get over that is good, so why don't we do that?

If we really wanted—this is my right-wing naturals—if we really wanted to reduce GHGs, bar everything else, my alternative approach—my suggestion—is we go to the federal government, explain what we'd like to do. There could be—and I know there was, anyway, \$4 billion of infrastructure for projects of regional significance. That means projects like across interprovincial lines like power lines. I mean, special care to make sure that power lines from provinces like Quebec and Manitoba would be included in this plan and that's because even from any perspective, hydro is cleaner than almost anything else.

And yes, we should displace Saskatchewan and Alberta power—and I've written extensively about that—as much as we can. Let's focus on that, and let's get the federal government to help like the federal government has—quote, unquote—helped Newfoundland and Labrador or—quote, unquote—Nova Scotia, because that line is supposed to go to Nova Scotia eventually.

Mr. Chairperson: The member's time—Mr. Fletcher, your time has elapsed.

Would you like to—if you'd like to please table that document, please do so.

Mr. Fletcher: It's called public policy series—pipe, dam and dream—electricity dreams: Manitoba's next generation by Andrew Pickford. I have three copies for the committee.

If I don't get these in, Sir, I may not be able to table everything, and I know we want everything to be tabled.

Mr. Pedersen: You know this bill, The Efficiency Manitoba Act, is—it has a different perspective when you're a rural member of this legislature and a very positive aspect for us because my constituency, Midland constituency, which is south-central Manitoba, it—and I look to the member for Kewatinook who also has many of the same issues that we face in southern Manitoba—we don't have access to natural gas.

And I know that, you know, my own—some of my own family lives here in Winnipeg, and I look at their—my son's hydro bill as compared to anybody in rural Manitoba—it's quite different when you have access to natural gas for the heat of your home or your business, whichever the case may be.

And in my constituency, there's a large part of my constituency that does not have access to natural gas, so any way that we can save on power use in our homes, in our businesses, in our farms across my constituency—I'm mainly relating to Midland constituency, although I know my neighbours to the west in Spruce Woods and Arthur-Virden, although Arthur-Virden does have quite a bit of natural gas that they're drawing out of the ground, so they're—they do have a bit of an advantage over us there too.

* (21:40)

But we have looked at bringing in natural gas into our communities, and it's very expensive, and there is not the support there that we need in order to bring it in economically versus, you know, the hydro is there.

Although, Manitoba Hydro needs to do some real work in updating our power grid throughout rural Manitoba in order to get our power—to be able to supply the power needs that we do need. For instance, nowadays, on many of our modern farms, they have very large grain bins that use aeration. That's putting air through the grain bins to keep the—to both dry down the grain, but mainly to keep it cool. And these—a lot of our farm customers are finding that there is not enough power to set up these fans—aeration fans, as they're known—and grain driers, too, are mainly running on propane because

they don't have access to natural gas, which is a much cheaper alternative than propane.

So, you know, anything that we can do through The Efficiency Manitoba Act to make power—electrical power more efficient, to create efficiencies for our rural communities and our northern communities, which face very high electrical bills in order to heat their homes and businesses throughout the North—really, very similar to what we face in rural Manitoba where we are without natural gas services. So it's important to keep these—the perspective of the entire province in hand—in mind as we look towards how to make Manitoba Hydro even more efficient for all of Manitoba, and those Hydro bills are becoming, you know, a major factor in our businesses and our homes all across rural and northern Manitoba. So anything that this bill would do would certainly be a great boon to us in rural Manitoba, as we continue to work towards—we have, you know, a green province; this electrical power that we're building, and, you know, we continue to build this Keeyask dam and the bipole west line—waste line, as we tend to refer to it. It's going to be built, coming through some of our most valuable farmland across agricultural Manitoba.

It's a sad fact that it has to be built now just because the NDP pushed it that far and it was past the point of return. Could have been done far more effectively on a shorter route, but that is—I guess that's history, now, that that's not going to happen on this line. So we certainly—anything that we can do now to be able to improve our effectiveness in using this green resource we've got available to us—in abundance, I might add, these days—would certainly be a help to all of Manitoba. It would certainly help Manitoba Hydro's bottom line if we were—our rural customers could be more efficient. And we'd have that much more power to sell, whether it is south, whether it is west—hopefully, we can build some customer base to the west of us, and that would be a great boon to Manitoba.

So we're—we will make the best of a very difficult position that the former government put Manitoba Hydro into, and we will continue to move forward here in a very positive way.

Thank you, Mr. Chair.

Mr. Fletcher: I'd like to thank the minister for his comments. And he's quite right; there is an underinvestment in natural gas in rural Manitoba, and that actually speaks to the double one—the double monopoly.

On one hand, you have energy being produced from Manitoba Hydro through electricity. And then they also control centre gas. So they're—if you want to talk about a conflict, we can have that conversation. But what is on the table today is The Efficiency Manitoba Act and, again, it's—I'm concerned that it is a—not the best use of the finite resources that are available for Manitoba, which we all agree on. Now, why would we do this? Why would we cause so much disruption to the Hydro when we—or the employees or—and I would—I question the comments about the engineers, because every engineer that presented at that last meeting was against this because they understand that supply, which we will have in excess of, not for five years, but for, apparently, until 2040, 2041, using Manitoba Hydro's own submission to PUB, like, four days ago or a week ago. And when that happens, you want to maximize the use. Now, in Manitoba's case, because our power is clean, the environmental impact is negligible. Different in Ontario, different in BC and different in almost every other jurisdiction in North America. Maybe the exception of Quebec.

Mr. Vice-Chairperson in the Chair

So here we are. We want to—what company with great widgets oversupply them and then have no demand and then increase the price of those widgets and then invest in reducing the demand for those widgets? Now, if those widgets were radioactive or some sort of caustic, toxic substance, maybe okay, but this is not that at all, quite the opposite.

The issue, again, is just common sense. It's what we ran on. There's apparently no demand for this. There's a lot of supply of rhetoric and papers and so on, but there's no demand to move Power Smart out of Hydro. And the legislation is far more reaching than that. Going to start dealing with international treaties. We're going to start dealing with, you know, First Nations and the, you know, through a Crown corporation. And since when does a Crown corporation ever not cost more money than before? Like, when has that happened? Like, maybe I don't know any small-c conservative that would make that argument.

I would also reflect that as you go north or on First Nations or rural Manitoba, the increase in power affects those people disproportionately because all too often, people are in a cash-flow crunch, if not in debt, just like Manitoba Hydro is. So why would we increase the rates even more and not get compensated from the use of supply when we

have so much of it? It's common sense from every perspective, no matter where you are in the political spectrum, no matter where you are in economics, unless, well, we know what happened to the Soviets. There's no—there is just no way that government has proven itself to deal with this properly in Canada and, I would suggest, anywhere else. And we see that in New Zealand. They just moved away from it tremendously.

* (21:50)

Mr. Chairperson in the Chair

Mr. Chair, I have some documents I'd like to table. The first document, Working for You, Manitoba Hydro Electric Board 65th Annual Report, Year Ending March 31st, 2016. I'm going to go through these quickly, again, for the record and because there's no public consultation, we'll go to the next item, please.

The next document is some correspondence that is publicly available between the minister, CUPE and—the only thing I'd like to take from this is there was a request to meet with the minister, which I think is a reasonable request to make, and the request, as of June 22nd, 2016 was denied. It doesn't sound like—I think we can probably improve there—I'd like to table this.

Madam—or Mr. Speaker, I'd like to table this article, and this is the first article that I'm aware of that actually has a interesting analysis of Efficiency Manitoba. It says Efficiency Manitoba is inefficient. It's an analysis. It's by Dennis Woodford, Garland Laliberte and Will Tishinski. Laliberte—I remember that name because he was the dean of engineering when I was going through engineering and he confirmed that he was the dean at the last meeting, even though he looks completely different. This article actually looks at it from Hydro's perspective and is very telling—these are people who are retired Hydro engineers, and I think one was a VP, so why not hear them.

There's another article which I'd like to table and I have copies of. Editorials, Free Press: The irony of Efficiency Manitoba. For a government that we campaigned on reducing red tape, I'm concerned about creating more red tape, and I am—I'm not necessarily saying it's completely bad; I'd just like an explanation that makes sense.

The—but, again, to the small-c conservatives and the average person, it doesn't seem like a good idea, so I'd like to table this. It's already part of the public

discourse. I'm sure the minister has seen it, and then I'd like to table another Winnipeg Free Press article. This one is: New energy Crown will pay for itself: minister; Government claims separating energy sales from efficiency necessary.

Okay. Actually it's quite a flattering article to the minister. I'd table that—

Mr. Chairperson: The member's time has expired. Your 10 minutes has expired. The minister wishes to respond to it. You will have the opportunity to continue on, but your 10 minutes is your 10 minutes.

Mr. Schuler: Well, I think we might have to bring in another Efficiency Manitoba Crown corporation just for the member for Assiniboia's (Mr. Fletcher) office. I think we've burnt through half the Amazon forest just at tonight's Committee meeting. We could have gotten them electronically as well, but I do want to address a few points and that is we believe what we have in front of us is a very dynamic piece of legislation.

This is a legislation that started four years ago with an NFAT. It was done through an order-in-council. In fact, the member for St. Boniface (Mr. Selinger) was the premier at the time and would've been the individual who would've signed off on the order-in-council and would've chaired Cabinet and approved it, and it went to the Public Utilities Board. In fact, there's a clause in the Public Utilities Board that allows governments to task the Public Utilities Board to take on projects like an NFAT, and they set the parameters and the discussion began.

And there were great individuals at that NFAT. They—there were individuals from Manitoba, there were individuals from across the country and from North America. There were engineers there who were very supportive of the process involved. There were individuals from Power Smart that gave their input. There were—from all the various consumer groups, there were individuals concerned from all the different groups that take an interest in the things that Manitoba Hydro does.

And out of that incredibly robust process and it—I don't know if the committee is aware; this was a one-year process. There was a year taken in which this topic was studied and discussed and debated. There was no hurry in that committee. It was dealt with in a very thorough and robust fashion. Now, we understand that since then new members have gotten elected and perhaps feel that, you know, they didn't think that it had gotten the attention it deserves.

Well, that's why it's important to have this committee and be able to respond to some of the comments being put forward, that actually it did get a very robust discussion. Now, the outcome obviously doesn't please everybody and that's one of the things; you go into these and you don't always get your way. You have your opportunity to put your case forward—doesn't mean that in the end you get everything you want from it.

But what came out of it was a very strong recommendation to go for a very progressive and dynamic Efficiency Manitoba model and, in fact, it was the Leader of the Opposition, and I was the critic around that time, who—we sat down and we discussed it. He said, you know, you've had a chance to see the report by the Public Utilities Board on the NFAT, the needs for and alternatives to, and he suggested that it'd be something that we would support as a party.

It did go, I believe, to a convention. It was part of our party platform. In fact, it even made it into our election platform and candidates could go on the website and see all the things we were planning on doing. In fact, I think even the member for Tyndall Park (Mr. Marcelino), I think it was even on his party's website. I have a feeling that it was part of their green plan. So this actually had fairly unanimous agreement.

Now, I don't know where the Liberals were on this at the time. *[interjection]* And the member for Elmwood (Mr. Maloway) says probably on both sides. Now, the member for Elmwood was in Ottawa, so he would know better than other of us how the Liberals love to straddle. If this was a neighbourhood of seven houses, they would straddle all seven fences, so. But we'll give him the benefit of the doubt and we'll be under the impression that probably they supported this as well.

I'd like to point out to committee that it was in the mandate letter of May the 3rd, 2016, and I'd like to quote for the committee, and it says, and I quote, adopt the recommendations of the Public Utilities Board that an independent, arm's-length entity be created to take responsibility for developing and implementing planned targets for saving energy, report annually on energy savings targets to Manitobans. That is very clear. I don't think you can get much clearer than that.

* (22:00)

Now, in case people missed it, it was even in the Throne Speech, and I remember it loud and clear; it was put in the Throne Speech. So let me put a—draw a line between all the dots. Let me connect them for the committee. So went through an NFAT process; the Public Utilities Board made that public; it was adopted; the recommendations were adopted by both the Progressive Conservatives, and, at that time, it was a plank of the NDP party—now we know that they are against it after they were for it or before they were for it they were against it, or one of those—we're not too sure where they are; we're not too sure if now they're for inefficiency Manitoba; and the Liberals might have been for it or they may not have been; we're not too sure. It made it through the election campaign, in the minister's mandate letter; made it into the Throne Speech. And now it is before us. It has had a very robust process to get here.

And I know that perhaps tabling annual reports of Manitoba Hydro are ways to have the committee know more of Manitoba Hydro, though I would point out they are all online electronically. In fact, you can see them all. It's on this newfangled thing called the Internet that Al Gore invented some time ago. You just have to google it and it is there, available for you to see. So, again, I would recommend to all members of the committee, if you really do want to read all of the annual reports, I would recommend, rather than print them all off, you know, out of Efficiency Manitoba's sake, you could read them online.

This is a very progressive and exciting piece of legislation. I know that the opposition has some amendments they would like to put forward. We'd be very interested in getting to those amendments. We would love to see what they would like to see. And you never know, we might just see the NDP supporting this even though previously they were for it before they were against it. So maybe now they'll again be for it again. We'll stay posted. And we're looking forward to seeing the amendments being put forward by the opposition.

Mr. Chairperson: Before I recognize Mr. Fletcher, I'd just like to remind the committee that I've been very lenient on the answers and the questions here.

Mr. Fletcher, you have tabled the same report twice now, and I would suggest that we are on clause 1, which is on page 1, and I would ask for everybody to be relevant to clause 1 so we can continue—move on. We would like to move on to get to those clauses so that you can ask questions on those clauses.

But before I recognize Mr. Fletcher, Ms. Klassen was next on the list.

So, Ms. Klassen, the floor is yours.

Some Honourable Members: Oh, oh.

Ms. Klassen: Why, thank you.

My question is—to the minister is: If it was so robust, then why is there a clear mandate for electrical energy savings, and then for the others, such as electrical power, potable water, it's only a maybe for the mandate?

Mr. Schuler: Well, first of all, there is a clear target for electrical. So there is a target for electricity. There is also a target for, every year, reduction of natural gas. That is in the legislation. That is there. What it does allow is for the corporation to, once it's gotten itself in full swing and is doing those two things, to look at other areas of Manitoba. Again, initially, its primary focus will be hydroelectricity and natural gas. But we wanted to make sure that it wasn't going to be a piece of legislation that continuously had to be amended. So we put in there other areas that it could eventually get into.

Again, we are not a government that likes to mandate other jurisdictions. That was more of a thing of the member for St. Boniface (Mr. Selinger), that was more their kind of thing. We didn't want to get into that, to mandate what they should or shouldn't do. The City of Winnipeg could approach Efficiency Manitoba and ask them if they wanted because it's another level of government.

For instance, the municipalities East St. Paul and any other community could go and say, hey, listen, we—you know—we want to make sure we're getting the best efficient use of our water. They could go to Efficiency Manitoba and Efficiency Manitoba could work with them on the best practices. And because—and, you know, a lot of municipalities won't have the reach that Efficiency Manitoba would have, and a lot of communities would like to know what the best practices are. So that's why it—again, the primary focus always was electricity and natural gas, but it doesn't preclude them helping in other areas.

I hope that answers the member's question.

Mr. Fletcher: Back to the purpose of the legislation and I will focus on that and the mandate. In part 2, clause 4(1)—Mr. Chair, I—

Mr. Chairperson: Order.

Clause 4 is part of clause 4, not of—part—clause 1. So we're working on clause 1 right now. So if you want to wait until clause 4 to bring up clause 4—

Mr. Fletcher: Mr. Chair, in the first part of the bill, it says the purpose and definitions. The purpose of the act—the purpose of this act is to: (a) establish Efficiency Manitoba as a corporation with the mandate set out in section 4.

And that is what I'm referring to, the section 4 of the mandate, which is outlined in part 2.

Now, I don't know who drafted this, but that is probably not the best way to draft it for a clause (a), because that is basically everything the bill has to do with and I am simply dealing with the bill as outlined in the purpose of the act. The purpose of the act is to establish Efficiency Manitoba as a corporation with the mandate set out in section 4. So I think we can agree that I am right on topic.

The—I would like to say that I'm not—it would be too easy to just table the annual reports since the formation of Hydro. I'm not doing that. I am tabling reports for specific reasons, for specific parts which will, if it's not evident now, will be hopefully by the time the committee comes to a conclusion. And, you know, we know that whatever is going to happen is probably going to happen. But I would like to just state out of respect for the process, the material here and—and, again, this is my second opportunity to ask these types of questions. And I think it's well within the job of an MLA to do it.

Now, there's partisan comments flying around. I don't care about any of that. I just want good public policy. So let the committee and the members from all sides throw around the partisan comments and the jabs. That's fine. I don't take any of it personally. But I do take my responsibilities as an MLA very seriously, and it's an issue of what we were elected to do and an issue of the ancient concept of MLA privilege. So let's focus on the issue and, if everyone can do that, I would—I think we would all appreciate it.

Okay, I'd like to table Frontier Centre.

* (22:10)

Oh, by the way, I am told that I did not, in fact, table two reports over, repeatedly. If you look, it is my information, Mr. Chair—it's my information that those two reports that were tabled were in fact different reports, and I draw your attention to the date of those reports. And if there was a mistake, I

apologize in advance, as I know you would if the mistake was yours, and you'll be happy to know that the binder in front of me is all linear in its references, so it would be very difficult for me to mix the material up, even given the huge volume of it.

And as far as the links are concerned, again, I would refer everyone to the Public Utilities Board Hydro submission of May 12th, 2017, tab 7, to deal with demand-side management and I encourage everyone to go through it. Perhaps the minister can give us his reflections on the supply-side projections, which go to 2040-2041, and there's a lot of material that suggest that is underestimating the glut in supply.

And let me say this: Keeyask has been built. Did we need it with our demand? No, but it is being built and so, obviously, supply is going to far exceed—because we all agree that it didn't need to be built. So, if you—you can't have it both ways. It's either it shouldn't have been built because there's too much supply, or it should have been built because there was a demand. It's one or the other, it's not both. And if the supply exceeds demand, generally, you don't create more supply. Nobody's talking about building another dam. Nobody's suggesting that, and the suggestion that people are talking about that is not correct. Personally, I think we probably should have stopped when we could but we didn't, and that's fine; we are where we are, but let's not make things worse. And let's be honest, if the dams are being made, or are going to be built, and that train has left the station, and we, on one hand, say it should not be built because we don't have the demand, then on the other side, say, well, we want to reduce demand even though we just said that we didn't need those stations because we have too much supply. Now, multiply that manyfold.

And the power sold to the US has all sorts of caveats—all sorts of caveats. That is not what you call a guaranteed sale. It depends on the electricity load, the options, the spa price, the energy pooling of the US Midwestern states.

And I'm saying this off the top of my head. I don't have an adviser sitting next to me or looking at my electronics. This is all very common sense. And the only thing, by the way, that my staff help me do is put this stuff in a binder. This is all done by me on my own computer and Staples has printed it all off at my own expense because the Leg., for whatever reason, doesn't compensate for doing the work of a MLA, and why would I do that? Because this is

serious. This is going to cost a lot of people a lot of money who can't afford it. It's not going to do the environment one iota of good, and it's going to throw the employment futures of a lot of people, lot of good people, into question, and for what, so we can create a Crown corporation? We didn't run on that. That's not in the mandate letter.

Let's be accurate. As the minister says, we did not run on creating a new Crown corporation. It's not in the Throne Speech; it's not in his mandate letter. What is in the mandate letter is to consult stakeholders, to consult at committee with the colleagues. That's in the mandate letter. And, as I say, this is the first opportunity—second opportunity.

Rolling the dice—I'd like to table this—the unnecessary gamble of massive hydro election—electric expansion, Energy Security 2.0. The—No. 36, A Thread Down a Football Field: Why a west-side Manitoba transmission line is bad environmental policy, I'll table that; the Manitoba Hydro annual review, all sorts of good stuff there, but for speed I will simply table it, but with the comment that in this report the executive summary, Manitoba Hydro for achieving energy efficiency, the Canadian Energy Efficiency Alliance, whoever they are, rated Manitoba as an A in its report card.

Mr. Chairperson: The member's time has expired.

An Honourable Member: I have a point of order.

Point of Order

Mr. Chairperson: Mr. Fletcher, on a point of order.

Mr. Fletcher: Yes, I'd like to continue tabling these documents.

Mr. Chairperson: It's not a point of order. I have expressed my opinion earlier about using points of order for the wrong reasons, and I would ask you to refrain from doing that. You've now tabled two reports twice. I've asked you to stay on topic because we are in clause by clause, and we are on clause 1. And, even though it refers to section 4, we will get to section 4 as soon as we go through 1, 2 and 3. So I would like to remind the member what he should do.

* * *

Mr. Schuler: We heard the statement that we should be for good public policy. Well, I would put forward to committee that Bill 19, Efficiency Manitoba, is great public policy. It's better than good. And I would suggest to all members that I may not agree with everything you say and everything you do—not

looking at anybody specifically—but I am always under the impression that all members take their position here seriously. And, whether I was critic for a minister or a minister with a critic, I know they take it serious. And I appreciate members here and what they do.

I've been here for a while, and when the general public sees the kind of work that goes into this—like they say, there are two things you should never watch being made and that's sausage and legislation.

And, you know, tonight is one of those. It's one of these tough ones. You grind through it, but it is for the better of Manitoba. And I support this process fully and completely and prepared to sit here and answer the questions as they come forward.

I would like to point out to something that was said. This isn't an issue, when we talk about Keeyask and bipole, of supply versus demand. It shouldn't have been built. Keeyask shouldn't have been built simply because, at this point in time, we can't afford it.

* (22:20)

Now, we all understand Bipole III was a reliability issue—should have come down on the east side, and it was always meant to be to mitigate risk, because we've seen in the past what happens when a tower or two goes down because of a weather issue or could have been anything for that matter, and that can end up being very costly. So we understand Bipole III should have been built, should have come down the east side—would have saved us billions of dollars.

Keeyask, on the other hand—this is not a debate about supply versus demand, and I know members want to keep talking about their beliefs, but we laid out throughout the entire committee, starting right from dams built earlier, that there was a problem with the cost. And then we started with Wuskwatim and we went through Keeyask, and the kind of debt that has been incurred at Manitoba Hydro to the point where Manitoba Hydro debt is viewed by bond rating agencies—something we can't control; they're organizations we have no sway over. They tell the market what they believe our debt ranking should be. And if you don't understand what the ranking means, is—that, then, reflects on the kind of interest we can borrow money at. So, if you're the highest rating that you can get, you tend to get your money at a lower interest rate, because you're a lower risk. The lower your rating goes with bond agencies, the more

expensive your lending gets. And 1 point—a 1 per cent difference—on the magnitude of the debt we have is substantial.

So I want to make it very clear, and I know we want to keep living with those urban myths and things that were whispered to us by friends and that kind of thing, but those aren't based on fact. We want to stick to the facts when we have this debate regarding Efficiency Manitoba.

We've seen increasingly the debt growing at Manitoba Hydro where now, we have two of the largest construction projects in North America—by the time we are done, will be approximately \$11 billion. And during that whole construction period, Manitobans are borrowing not just the money to build the dam, but every year we borrow compound interest, the money to pay the interest on the money we've borrowed, and that's where the risk is.

The risk is in the next five years, and what we are saying to Manitobans, we're going to put together a system that we can delay expensive dam construction—let me rephrase that—we are going to delay very expensive hydro dam construction to allow Manitoba Hydro to build up equity in the corporation. And if it is the belief of committee members, and if it's the belief of Manitobans, that what we should do is build very expensive hydro dams, sell the power to anybody at any price at any time so that we can rush to the next hydro dam project, then we're no different than the NDP were for the last 17 years. That is not a plan; that is not responsible.

We've said we must become far more efficient in the way that we use our electricity. There is far too much consumption per capita in Manitoba as compared to any other jurisdiction in the world. So Efficiency Manitoba does that, and it is important that we start Efficiency Manitoba now. You don't start an efficiency program like Efficiency Manitoba a year when all of a sudden you realize that you're short on electricity. You start it and you build it into a culture. And I would suggest to committee and to Manitobans, we have to change the way we view our electricity. We have to change the culture of the way we consume our electricity. We've got to be far, far more improved stewards of that what we have and that includes our environment, that includes water, that includes our air and that includes our electricity. It is, I would suggest to committee, and I've said this before, it is a far better natural resource to have than

oil. In fact, I would suggest that other jurisdictions look at us with green envy because it is such a good resource. However, we can't squander it the way it's been done in the last 17 years, to just build at any and all cost, and then say, well, what we should do is tell people, you know, consume it at any irresponsible level that you want just so that, you know, we're getting money coming in and then all of a sudden we have to build another dam, and we continue this cycle, and we're not going to get anywhere as a province.

If we truly want this to be an asset for Manitoba, then, folks, it's time we treat it as such. We treat it with the respect it deserves. We treat it for what it should be for Manitoba. We can't keep the cycle of further pushing Manitoba Hydro in debt and keep building dams because we are so irresponsible with our consumption. Let us be an efficient, an effective and dynamic and outstanding Manitoba and allow Manitoba Hydro to start building equity because the day is going to come when, yes, we will have to build another hydro dam.

But wouldn't it be amazing if Manitoba Hydro could build the next hydro dam with a lot of its own equity in place? Wouldn't that be just remarkable? Why can't that be a goal of this Legislature? Why isn't that something that we look towards? That's what we should be doing. Let's be far more efficient. Let's be far more effective and build the system, build the culture, based on Efficiency Manitoba, that allows Manitoba to become the jewel in the crown of Manitoba and for Manitobans. That's our goal.

Ms. Klassen: I just wanted to put on the record, the minister keeps saying that the Bipole III should have gone down the east side. As the MLA for the majority of the east-side communities, that is not something that was ever actually ascertained. A lot of the people that I met with on the east side were opposed to the bipole coming down the east side, and so I just want that to be put on the record that if that's an option coming forward, if there's a bipole IV or bipole V, whatever, in the future, proper consultation must take place, and the community members as well as the leaders, both, should be invited to the table, going forward, should that come up again. Thank you.

Mr. Schuler: Well, I thank the member for that statement. We always appreciate her input very much. We do know that many of her communities, the majority of her communities, if not all of them, were in support of the line going down the east side.

Now, unfortunately, that was not an alternative that was ever allowed by the NDP government by Manitoba Hydro. In fact, they directed Manitoba Hydro that they could put the hydro—the bipole line anywhere they wanted as long as it went down the west route. And they even went so far as tell the Public Utilities Board they could look at anything at Manitoba Hydro, anything they wanted, except for the bipole line. And that was the member for St. Boniface (Mr. Selinger) as premier of Manitoba who did that.

And that's unfortunate because we should've left it up to the professionals, the individuals who know about electricity, who know about where hydro lines should be sited, and we should've gotten their advice. It could've gone to the Public Utilities Board, and who knows what the outcome would've been? However, the NDP wanted to make sure that before they asked the question, they had already written the answer.

* (22:30)

So I would say to the member, I do appreciate she knows her community, but I just want to make sure it's on the record that a lot of her constituency was in support of it going down on the east side. Insofar as reliability goes, it would have been the right place to go.

In fact, a lot of the set-asides had already been done. This was something that had been contemplated already during Duff Roblin's time. A lot of easements had already been negotiated. I would point out to the member that—I don't know if she knows this, but Riel Converter Station is in God's country, commonly known as the RM of Springfield. And it was put there because the bipole line would come down on the east side and would come at-connect into Riel. And that's why it had always—that's why Riel was built. It's just south of Dugald. I don't know if the member knows that. It's just—it hugs along the floodway south of Dugald. It's quite the construction project. But it always was intended to be there so that the line would come down the east side, would be converted at Riel, and then it would go wherever it was needed.

So a lot of work had been done, a lot of set-asides had been already put in place. Easements had been taken care of and, all of a sudden, the NDP and former member—the current member for St. Boniface, the former premier, decided to direct Hydro that they had—could put it anywhere, as long as it was on the west side and made sure the Public

Utilities Board never had an opportunity to look into the Bipole III. In fact, they were forbidden from looking at it. It wasn't even part of—they were not allowed to. And that is very unfortunate because that has cost Manitobans billions of dollars. And it was—it's a mistake.

If you look at Bipole III and the other two lines, there are some locations—they are fairly close. They are in the same weather system. We hope that someday we don't regret the fact that Bipole I and II and Bipole III in some instances are pretty close to each other. And the member has seen maps and will know that. And let's hope that a weather pattern doesn't cut through there and cause havoc on Manitobans, because this isn't like San Francisco where, you know, if you don't have electricity, it means you don't get your latte that day. I mean, electricity is incredibly important in the winter here in Manitoba. We must have our homes heated simply because of severity of our climate. So it is important that Bipole I and II and III are protected.

So I—again, the government of the day, the member for St. Boniface, former premier, should have done the right thing: he should have sent it to the Public Utilities Board and he should have allowed Manitoba Hydro to look at all alternatives and put them forward, which he disallowed. That will be viewed, again, as another one of those colossal mistakes in the history of this province. At least we should have had the ability to have that discussion.

So I thank the member for her comments, and one of the things we're allowed to do in this building is disagree—disagree respectfully, but I disagree with the member. Actually, I think many, many communities on the east side would have embraced the bipole line going down on the east side.

Thank you.

Mr. Fletcher: Again, my comments are going to be focused on the clause that we're discussing, which is the purpose, and referring to section 4.

Mr. Chair, I don't see that there's a great urgency to go through the—at midnight, we all know what happens. You—it all goes through, right? So why the hurry? Please, let's be patient; get whatever we need to do onto the table, and—especially in light that we haven't allowed people to present or anything. So I just want to get stuff on the record.

And, Mr. Chair, if I could also ask a procedural question—perhaps you can answer after my

comment—if the links to all these materials that I'm provided could be part of the record or part of the Hansard or whatever this committee does to allow people to have access to information. Because if, on one hand we can't—you know, there's been criticism that I printed off too much and that I could have used the links. But, on the other hand, I don't know how that would work in this committee because I'm not on that computer. Some other people may be, or their iPad. But right now, this is a paper world, and as far as Amazon goes, I'm not sure if he's talking about Amazon.com or the rainforest, I'm not sure which one. I think the rainforest is more valuable, but the stocks may prove that wrong, I'm not sure. Anyway, I'd like to table—oh, and by the way, the minister, on Bipole III, is correct, in my view, and as I said way back in '07 or whenever, '06, when this all started, but that's not what we're talking about tonight. And we're also not talking about building more. In fact, if it was up to me, I think we should look—we should have, but we can't now, ceasing the construction, but that train has left, both the dam and the bipole, at least investigate it, but that train has left the station. I get it. So let's focus on the bill.

I'd like to table, Mr. Chair, Manitoba Hydro 2017-2018 and 2018-19 general rate applications. It's six pages. This is the electric operations, the Manitoba Hydro '16 to '20 outlook and projected rate increases. What I would like people to take from this is, if this is correct and this is just a rate application, we're dealing with significant increases in hydro rates, the supply, the demand for Manitoba Hydro, even going out to 2027, on this page, is, I would say flat, and this is really, really scary, actually. Mr.—so I would like to table this document.

The next document I would like to share with the committee—oh, and this is a really good one. I'm really, really glad I found it and printed it. This is the latest information, May 12th, 2017. So I would be surprised if anyone at this committee has seen this, and it would be much better if everyone could read this material before passing this legislation, as this is critical, but here we are. This is a tab to Manitoba Hydro's 2017-18, 2018-19 general rate application. And here they do their key messages and compelling reasons for a rate increase, which—wow, I really wish I had time to go through this, but that's tab 2 of the latest off the Public Utilities Board website, www.publicutilitiesboardmanitoba.com or something to that effect. Just google it, for the record. So I'd like to table this piece, and I have three pieces, three of these copies, as your original request, Mr. Chair.

I—and I, like the minister said, I'm just a newbie here, so please bear with me. Can I go to the next document, please? The—I'd like to submit the letter of application from the Crown corporation to the Public Utilities Board requesting it to increase electricity rates, and it's four pages.

* (22:40)

Again, it's—if you care about your electricity rates, it's probably worth the read. And, as the minister has pointed out, our financial situation limits the options, but, nevertheless, I think it's an interesting read, specifically because this is dated May 5th, 2017, and you may ask, well, what is the reply to this.

You'll be pleased to know I have it—I have it right here, and I'm just about to retrieve it, and if it doesn't come in this batch, it will, eventually. I just want to thank my aide here for helping with all this paper, and my apologies to any boreal forest or Amazon forest, but this is important.

Okay. This letter is dated May 12th, 2017. It's the reply regarding Manitoba Hydro 2017-18, 2018-19 General Rate Application, and outlines the various tabs and, again, I'd like to highlight tab 7 because that deals with demand-side management, but it's a really good overview of what is in the rate application for a public utilities board, and if I printed it all out, I think it would have been over 1,500 pages, so, perhaps even though that was above my budget for this project, so I'd like to table this document.

The next document I'd like to table will no doubtedly support what I am saying, dealing with the excess of supply, and Mr. Chair, you've given me the warning, so I would like to let you reflect on the 20 seconds that are left and when that—at the next opportunity, I would like to continue tabling these documents, and please allow me to do it. Think of the trees. Thank you.

Mr. Schuler: The member raises the rate application and what we have in front of us is the NDP bipole-Keeyask levy, and basically, this is a rate increase that has a direct correlation to incredibly poor decision making by the NDP government, and the member for St. Boniface (Mr. Selinger) who used to be the former premier. The rate increases do not mitigate risk. They only help to insulate the risk. We have to be very careful that should there be a severe weather incident, Manitoba Hydro could again financially be at great risk.

We saw drought in 2003 when Manitoba Hydro, at that time, was still making \$400 million, and after the drought, Manitoba Hydro lost some \$400 million. It was a turnaround of \$800 million.

Today, Manitoba Hydro is making \$50 million. Now I know, in some quarters, they think \$50 million insofar as their own family budget, and they think that's like winning a lottery, but for a company the size of Manitoba Hydro, \$50 million is a very, very small amount of money. If we had another drought and the corporation would lose \$800 million, the loss would then be in the range of \$750 million. That would seriously hurt the bottom line of Manitoba Hydro. So, every time it rains, I say a prayer of thanks because one of the things that we can't handle right now is a drought.

So that the rate increase that we're asking for right now is only to insulate; it's not to mitigate the risk. We have to stop putting Manitobans at risk like this, and at some point in time we're going to have to get beyond the fact that the NDP got us into this mess. And that's what Bill 19 is all about.

In fact, I would like to read from the NFAT—I don't know if members have had the opportunity—and it directly relates to Bill 19 and what we're discussing here in section 1. And this is directly from the NFAT: DSM is the reduction of energy consumption through targeted energy efficiency and demand initiatives. DSM is a powerful tool, as it can defer the need for new generation and has the potential to be as economic, if not more economic, than new generation.

For consumers, demand-side management is attractive as it can lower their total consumption of energy, which mitigates the impact of higher rates. Consumers who fully avail themselves of DSM measures have the potential to lower their total energy bill even as rates increase.

Manitoba Hydro prepares a 3-year DSM plan called Power Smart Plan on an annual basis in consultation with the Province of Manitoba as required by The Energy Savings Act. Through DSM, Manitoba Hydro expects to offset 86 per cent of the anticipated load growth to 2017.

Now, in 2014, Manitoba Hydro also prepared a 15-year supplementary plan. In that plan, Manitoba Hydro expects to offset 66 per cent of anticipated load growth to '28-29, saving approximately 1,136 megawatts of capacity.

To place this in perspective, the capacity savings in supplementary plan amount to more than 80 per cent of the net system capacity addition from the proposed Conawapa Project. Similarly, the annual dependable energy savings from the Power Smart Plan exceed 85 per cent of the dependable energy output from the proposed Conawapa Project. To achieve these electricity savings, Manitoba Hydro budgets \$822 million, which is less than 8 per cent of the \$10.7 billion cost of building Conawapa.

While The Energy Savings Act requires consultation with respect to Manitoba Hydro, the Province of Manitoba does not currently set mandatory DSM targets.

Manitoba Hydro treats DSM as a reduction in load forecast demand, rather than as an alternative resource to meet demand projections. This approach was criticized by an independent expert and several Interveners. In their view, DSM should have the same status as generation sources, and be evaluated as such for planning purposes. The panel shares that view. And thus Bill 19.

Manitoba Hydro dramatically increased its projected DSM savings in the course of the NFAT Review. The Panel is uncertain that these projections can be achieved by Manitoba Hydro. However, this risk is mitigated by the Panel's recommendation to proceed with a 2019 in-service date for the Keeyask Project, which will provide sufficient energy and capacity to meet needs if projected savings do not fully materialize.

Manitoba Hydro's DSM targets appear to be overly aggressive in the short term, and overly conservative in the long term. While incremental DSM savings are projected to be significant in the first few years of the plan, they ultimately tail off. Other jurisdictions have reported that achieving sustainable annual incremental targets of 1.2-1.5 per cent of forecast load is possible.

Manitoba Hydro, formerly a leader in DSM initiatives, has been surpassed by a number of other jurisdictions. Jurisdictions that are DSM leaders have separated DSM-delivery entities with clear targets and accountability measures to achieve such targets.

The Panel concludes there is an inherent conflict in Manitoba Hydro, being both a seller of electricity and a purveyor of energy efficiency measures. A separate external regulated entity is required to develop the implement energy efficiency measures and monitor their effectiveness. Such an entity

should be subject to regular external audits to confirm DSM savings.

Examples of similar arrangements exist in—

An Honourable Member: A point of order.

* (22:50)

Point of Order

Mr. Chairperson: Mr. Fletcher, on a point of order.

Mr. Fletcher: Are we all going to read the documents that we're submitting, because if we are, I would like to ask for additional time at 12 o'clock.

Mr. Chairperson: It's the prerogative of the members to read if they want.

It's not a point of order. I rule it not a point of order.

* * *

Mr. Schuler: A separate externally regulated entity is required to develop and implement energy efficiency measures and monitor their effectiveness. Such an entity should be subject to regular external audits to confirm DSM savings.

Examples of similar arrangements exist in other North American jurisdictions. The electricity savings delivered through an independent, arm's-length entity would constitute an additional resource available to Manitoba Hydro to meet energy needs.

I felt it very important that the committee hear this. This is the document that the member for St. Boniface (Mr. Selinger), the former premier, based his decision to support DSM. That was while he still supported it; now, he evidently may or may not support it. It is what the discussion has been about. It is what convinced our party and has convinced us all the way through that we should be doing.

Of course, there's a much fuller document dealing with demand-side management, but I don't think the committee would give me enough time to read the entire document. This is like an executive summary, and I felt it was very important, because it certainly lays out the rationale of why we've begun this. And we've spent all evening talking about all the different risks.

I know the committee is convinced, and we're probably ready to move on and support this dynamic piece of legislation.

Mr. Chairperson: Are there any other questions on clause 1?

An Honourable Member: Yes.

Mr. Chairperson: Mr. Fletcher.

Mr. Fletcher: I thank the minister for reading that document. I will table my documents out of respect for the committee, and I hope to also be able to introduce all the documents before time runs out, and rest assured, Mr. Chair, I will do that.

The—what we just described is actually correct. We are, at Manitoba Hydro, very susceptible to drought. That's part of—that's a big risk, and we've been fortunate that 15 out of the last 17 years have been over the average rainfall, but that will change and that makes what—when you bring that into the equation, that is the case against decide—demand-side management, because with a drought, with the excess supply, we still don't achieve anything, because there's always going to be a next—more supply, particularly if you go five years out. The likelihood of a drought in the next five years—not so sure; over the next 20 years, probably. But supply far exceeds demand.

As far as the—and I am pleased, therefore, Mr. Chair, to table Manitoba Hydro's 2017-18, '18-19 general application, appendix 5.4—not to be mixed up with appendix 5.5. This was April, 2017.

This is—again I have three copies and I encourage people to go to page 38 in this as it—and as it describes the demand-side management. Now, as you get deeper into it, you can see, no matter where you are at the—in this debate, that there are huge advantages to co-ordinating demand-side management with the usage of energy, which Hydro does. So, at peak demand, you could use some of these measures to reduce demand—when there's excess supply, maybe not. And there are ways to do this through the rates, through monitoring. But, to do it as two separate corporations competing against each other, like, it just doesn't make any sense.

To do demand-side management properly, you need to have an integrated approach with the supplier in a monopoly situation, and that's the same for gas. And that's common sense, because in a monopoly, there's—the incentive is to work together, right, because in a monopoly, they are there to serve the shareholders, which is the people of Manitoba. So demand-side management and supply-side management and producers and GHGs, they all come together, and we're a unique situation in Manitoba, if that is your goal, to deal with it within Manitoba Hydro.

Share information, not create bureaucracy, is a point of view. And, again, I will continue to the next item, Appendix A. So I'll table this appendix, so that's 38 pages. This is the Capital Expenditures & Demand Side Management Forecast, page 1. And this is important as an appendix, as it clearly states, for those accountants out there, exactly the points that I am making, and the concerns. So I will table this, Appendix A; there's a lot of stuff in there. But, again, in the interests of getting through it, I will not read it; I will table it.

Much of this material, Mr. Speaker—Mr. Chair, is new, between the time of the last meeting and this meeting. It is also the Public Utilities Board recommendation from 2014. Again, the entire environment has changed since that time. From the supply side to the demand, the Canadian dollar, to public policy in the States, it is all conspiring to make a reasonable case to review the basis for this legislation.

Appendix C is Investment category definitions. This is again dealing with the general rate application. And it's new energy, system load capacity, grid interconnections, customer, independent producers, and it goes into some more detail about the power distribution, the costs, and why it is much better to keep Power Smart in Manitoba Hydro. And this rate application actually speaks to the benefits of Power Smart or—and/or keeping it within the corporation, which is—again, raises the issue, why isn't anyone from Manitoba Hydro here? Why haven't we heard from a single engineer in favour?

The—we've had sort of the elite, if you like, of the engineering community present and have—and I've demonstrated already that these are people that have—are like prophets. They've predicted the future. And why would we ignore them now when they have the knowledge, the experience and the wherewithal to explain their position?

*(23:00)

I will like to table this. This is Appendix C, Investment category definitions. Next item, please. Oh, this is great. This is one of my favourite parts of the general rate application: appendix 4.3. This is interest rate modelling, financial markets calibration by Aradon [*phonetic*] Borison, Hamm, October 18th, 2015. It's just a draft, but it was on the website and part of the application.

Now, the long or the short of this very interesting report—and I encourage everyone to look at the graphs and so on—is predict interest rates at your own peril. We also have historically low interest rates. It's only going to go up, which is going to cost a lot more for everyone, regardless if they have a mortgage or paying Hydro, or Hydro paying off its utilities—or, its acquired debt, which is another way of saying, unfortunately, because of decisions made, the supply will go up, the prices will—again—force demand down, and—because the rates are going to increase. And if the interest rates increase, which is totally outside of everyone's control, every electron that Manitoba Hydro can sell domestically or out of province is—subsidizes the cost for everyone within the provincial boundaries.

So—yes, so I'd like to table this, Mr. Chair. And I would like to—I understand I'm running out of time and I'd like to continue tabling these important documents that are recent and have not been presented to this committee.

Mr. Chairperson: The member's time has expired.

Mr. Schuler: I mean, what we've heard is an argument for status quo, and I would point out to committee that without change, there is no progress.

And I'm stunned that I believe I heard—and I'm going to have to re-read this in Hansard, that Hydro is like prophets. They're like prophecy is what I understand the member say, that we should listen to these prophets as they give prophecy. The Hydro forecasters—those would be the same people that told us that we—

An Honourable Member: On a point of order.

Point of Order

Mr. Chairperson: On a point of order, Mr. Fletcher.

Mr. Fletcher: Yes, I was referring to professional engineers like Graham Lane, Dean LaPorte [*phonetic*] and Will Wichinski [*phonetic*] not the Hydro people that he's referring to. And these guys have been proven to be right.

And they're part of what is known as the Bipole III coalition, which I understand was relied on heavy—very heavily by everyone previous to this last election.

Mr. Chairperson: Mr. Fletcher, that is—I will rule on it that it is not a point of order.

I have warned you several times, I will not accept something that's not a point of order.

Mr. Schuler: So the member says we should listen to the Hydro forecasters—is the way I understood it—because they are like prophets. We should listen to them as they speak prophecy.

So these are the same prophets who said that we are going to run out of domestic electricity by 2024. And then become something like an auction. Then we had the member—2027. We've heard numbers of 2030. And then we heard numbers of 2034. Then we would be out by 2037. And then we have 2040.

I would suggest that before I would start following prophecy and prophets, that maybe we would get back to the science. And one of the best ways to get to the real science, to get to the real numbers, is through the Public Utilities Board. I am not convinced the best way to get our information is through prophecy. Members of committee might feel that's the right place to go and we should making—should be making public policy decisions based on prophecy—be an interesting approach of—way we should be doing policy.

I would suggest to members that I believe in great public policy based on facts. In this case, I would say based on science, based on the numbers.

We have in front of us a incredibly dynamic piece of legislation. It is very forward-thinking. Now, does it challenge people's comfort zones? Absolutely, because, as I've said, you can't have progress without change, and the minute you talk change, the status quo apologists, the status quo prophets are uncomfortable. And that's going to happen, and that's okay.

However, it is becoming, on us as leaders—it was the—before us, they—it was the member for St. Boniface (Mr. Selinger), the former premier, who had adopted Efficiency Manitoba demand-side management system. Now, we're not too sure where he stands, but we'll find out someday.

We believe that it went through a very robust process. I don't know how many prophets were there, and I don't know how much prophecy was spoken. But I do know that the professionals were at the NFAT, and those are the individuals we built this Efficiency Manitoba on.

And I think that's why Manitobans will come to love and appreciate what we're doing here.

I would point out to members that there was an individual who is hanging here in this Legislature

right above the fireplace, one Duff Roblin, who came up with the idea to build—to dig a big ditch around the city, and, of all people he was posed by the NDP of the day. And he proposed that we were going to change the way we did things, that we could no longer keep doing things the same way old way, that to have progress in the province of Manitoba and have progress in the city of Winnipeg, we would have to embrace change.

And I would also point out that it was Premier Duff Roblin that created Manitoba Hydro, another great, great legacy of Premier Duff Roblin.

And, when he went out and built the Manitoba Floodway, or as some of us know it as Duff's Ditch, he faced a lot of flak from the people who said, no, the way we should fight floods, gosh, darn it, anyway, is the way we always used to do it; we should use the old sandbags and build dykes and that's the way we always did it.

That was not good enough for Duff Roblin. He said, no, what we are going to do is we are going to—

An Honourable Member: Point of order.

Point of Order

Mr. Chairperson: Mr. Fletcher, on a point of order.

Mr. Fletcher: Mr. Chair, you've asked everyone to stay on the clause, the purpose of the bill. It's not at all clear how the floodway is—and 60 years ago, politics wherever he's referring to, 1960s—how that is relevant to the bill, clause 1, the purpose of the act and the mandate, section 4, which is what I am trying to talk about.

Mr. Schuler: Well, Mr. Chair, you have been very generous in your latitude tonight, and we appreciate that.

* (23:10)

As Premier Duff Roblin was the premier, it was under his leadership that Manitoba Hydro was created. I didn't think that members on the committee would take umbrage—that members would take umbrage with the great individual. In fact, it was Premier Duff Roblin that brought in rural electrification. And I could go on and on about some of the greatness of Premier Duff Roblin, but I'll leave it there. And it is an example, and we are allowed to use examples of, in the past, how people reacted to change, as people are reacting to change today. And I'm sure when Premier Roblin was doing rural electrification, people said, no, actually, kerosene

lamp is just fine, we don't need this newfangled thing. And he did it anyway. And I think there is a very clear correlation between the two, but I would, of course, always acquiesce to your sage advice, to the committee.

Mr. Chairperson: There is no point of order. The Chair can rule on the question, on the relevance of the question, but it's not my job to rule on the quality of the answer. It's—what happens is what the minister decides to talk about to bring something back in, but I have several times asked you to move on to the proper clauses, and you totally disrespect the Chair, and don't want to do that. I've asked you about order—like, points of order, and you have done the same thing with that. So I will just warn you again, Mr. Fletcher, to please keep on topic and on relevance, so we can continue this committee in a proper manner. Thank you.

* * *

Mr. Schuler: So we—I mean, we have a lot to be thankful for, the legacy and the individuals that are here in this room and I've gotten to know them very well over the years. Change is difficult. And we understand that, because I live in a household where change happens every day. And that would be teenagers. And there are some times when I really struggle with the change taking place, but I recognize it's coming. And that's the only way you get progress in society, is through change. This is very dynamic legislation. This is a very dynamic approach to dealing with a problem. Clearly, we have a problem in Manitoba. It's been recognized as a problem, political parties have been on the bandwagon, are now maybe not so much on the bandwagon, but we all know, all of us know this is the right way to go. We all know it. We might be quibbling around the edges, but we know this is the only way to proceed forward because the way we've been going isn't working well for Manitobans.

Mr. Fletcher: I will continue with the tabling of these documents. But may I say, first, the characterization of these distinguished Manitobans, professional engineers is, as not somehow being qualified or unable to predict the future when they've demonstrated that they can, that's forecasting, they've been accurate, and another word for forecasting is profit—profiting.

So, having said that, Mr. Chair, if the Chair wishes not to follow the process of what the clause that we're on, that is up to the Chair, but I am simply exercising the ability to talk about the mandate. The

outcome of this meeting is predetermined, because at 12 o'clock all sorts of interesting things happen that cut off any further discussion. So I would just ask the Clerks to be—provide consistent advice, and when we review Hansard, I encourage everyone to look for consistency.

It's—by not taking these professional engineers seriously, like Graham Lane and Walt Wachinsky [*phonetic*] and so on, like, that's very serious, Mr. Chair, because that impugns their professional credentials, which are very much like a doctor. If you saw a doctor injecting a healthy kid with a fatal substance, you would not expect that person to be a doctor—or lose their accreditation. And it's the same for a professional engineer. These are people who have stepped forward to give their point of view. They have fiduciary responsibility, as I do, as a professional engineer, when they see something that's problematic.

So to impugn that is very disturbing.

Now, Mr. Chair, we can go into issues of parliamentary privilege, if you like, at this late hour. I don't think we should. But we could, and I'm sure we'd rather not. So—

Mr. Chairperson: Is the member challenging the Chair or anything that the Clerk, here, that's advising me of?

Mr. Fletcher: Absolutely not. I'm just—

Mr. Chairperson: Mr. Fletcher, I will recognize you, but I'd also like to remind you that I have warned you several times about points of order. I've reminded you. I've been very lenient with everything.

Now, if you are starting to challenge the Chair, I think it's my job to make sure that this meeting is conducted in the proper matter. I have asked you to do certain things, and you have not abided by those things. So, if you were challenging the Chair now and the people who offer me advice, it's not going to be very fruitful, I don't believe.

Mr. Fletcher: Mr. Chair, points of order are ruled in order or out of order. And, until they are, we don't know if they're points of order.

I've been very consistent with the—trying to table this material that is very relevant. May 12th, 2017, Manitoba Hydro, 2017-18, 2018-19, General Rate Application—Electric Load Forecast, Demand Side Management & Energy Supply. I would like to table it. It discusses the export markets, supply and demand summaries and, again, this is tab 7 of the

Public Utilities Board application, and this tab is very clear, very interesting and very new. So, when we talk about evidence-based decision making, how is that possible, when the most recent Public Utilities Board information is—happened on May 12th, and we are—have not reviewed that as a committee or as, quite frankly, the government? And we know that because the government introduced this legislation long before this rate application.

So, if we want to use the logical—go to the logical conclusions, it's another reason why it would be a great idea to defer, refer, to have a reflection on what we've heard and what has been tabled and what the outcome of the Public Utilities Board is, if we want to put so much stock into that.

Okay, so I'm tabbing—I'm tabling this.

Next item is a letter. The next item is a letter from Manitoba Hydro. They'd—I'm tabling a article dealing with Muskrat Falls. It says, "Former Muskrat Falls engineer calls for a forensic audit to examine 'absurdly low' cost estimates."

* (23:20)

That sounds familiar: a forensic audit. Maybe that's what we should do with Hydro, have a forensic audit, and make it public, and then we will see this is what's going on. This is an article—May 10th, 2017. It's a—CEO Stan Marshall, Focus on the Future, but would like to review the past, and this is the CEO of Nalcor Energy, which is shepherding that project.

So that sounds like déjà vu and we've already made the connection with Manitoba Hydro international.

Okay, let's go to the next—so I'm tabling this.

Mr. Chairperson: The member's time has expired according to our clock here.

Mr. Pedersen: Well, there was good conversation around the table tonight, talk about logical conclusions and there's talk about taking engineers seriously, Hydro forecasters—all this relates back to establishing Efficiency Manitoba as a corporation and with the mandate as set out in section 4, and I'm reading from clause 1 of the bill, Mr. Chair, and I certainly respect your patience tonight. It's been very good of you.

So the purpose of Efficiency Manitoba is actually—set up this corporation and actually set targets and we know the targets were somewhat

elusive to the former government when they—the only way they could hit a target was to throw the dart and then quickly place the board in front of the dart before it hit the wall, that would be about the only way they could ever hit a target, and that's not a way to run a business; it's not a way to run Efficiency Manitoba.

Mr. Vice-Chairperson in the Chair

Mr. Chair, it's—we need to have some very serious targets set for saving energy within Manitoba. That would allow us the ability to sell into other markets. There is large potential for markets, potentially, to go west. We know that Saskatchewan is consuming a lot of coal-derived energy, electrical energy. The government of Alberta has set rather stringent targets on reducing coal in Alberta. Now, it's an NDP government, so we'll kind of take that target with a grain of salt, I guess, given the record of this province under an NDP government, but this is—if we don't start setting targets, we'll never have anything to—there is no reason to have a goal out there if you don't set some targets.

This corporation that we're setting up, it's going to be independent of Manitoba Hydro. It's actually a bit of a conflict for a corporation like Manitoba Hydro to be generating hydroelectricity and then selling hydroelectricity and, at the same time, trying to promote using less hydroelectricity. That's really a bit of a conflict for them, and that's why this bill proposes to pull out that Power Smart portion of Manitoba Hydro and set up the separate corporation because they will be much more able to aggressively reach those targets that they set and that they will work to meet because there will be—it'll be better for Manitoba. As I said, in being able to generate more sales, out-of-province sales that will help the bottom line and, goodness knows, this province needs all the help it can get on a bottom line right now when we're facing a \$900-million annual deficit and with the capital borrowings that Manitoba Hydro is now into because of the building of Keeyask and Bipole III there is a lot of—that capital has to be paid back and this is—and the only way you can pay back capital is to generate revenue and to have a company that actually makes a profit in order to be able to pay their capital costs and be able—at the same time, be able to return some equity back into the company and back into Manitoba. Manitobans, who actually are the owners of Manitoba Hydro, unlike the NDP, who thought they were the owners of Manitoba Hydro.

So we'll—this is all part of getting Manitoba back on track, on the road to recovery. So we—certainly, like the targets that Efficiency Manitoba will be setting in order to meet our consumption, not only of electrical energy but of natural gas, in terms of reducing greenhouse gas emissions within Manitoba.

Mr. Chairperson in the Chair

Mr. Pedersen: We are clean and green here in this province. I should add, with my agricultural background and our agricultural minister sitting at the table here, too, agriculture is very green these days. The average farm tractor out there—a new engine now costs at least 40 to 50,000 dollars more per inch and, just because of the emission controls that they put on them, that helps us to become more not only energy efficient in the ag industry but also reduces our greenhouse gas emissions.

And so there's a lot of things that are happening—good things that are happening across Manitoba and, by passing this bill—or getting this bill through committee tonight would be another one of those great steps ahead for Manitoba, for getting Efficiency Manitoba into third reading, so that we can actually have Efficiency Manitoba up and running, and having their targets set and then actually achieving targets, which would be something new for Manitoba, that they haven't seen in almost a generation across Manitoba—is actually have targets that are being met. We're going to meet those targets fiscally, and this will help us do that as well.

So, Mr. Chairman, I certainly encourage everyone to move ahead with this clause by clause. They've been very patient tonight, and I'm sure we'll get there eventually, but we just—we'll keep entertaining any questions that come from the floor in order to be able to pass this bill through committee and get it into third reading, in the House, within the next week, I think. It's—we're—we'll get these passed and into—passed into law, with our wonderful Lieutenant Governor, when she comes in to give us royal assent once these bills pass third reading. So we look forward to that and setting—getting Manitoba back on track and on the road to recovery.

Thank you, Mr. Chair.

Mr. Fletcher: I'd like to continue tabling documents.

This is April 12th, 2017, minimum filing requirements and scope of upcoming general rate application. This is what led up to my previous

submissions dealing with the Public Utilities Board applications—next—I have three copies, of course.

I would like to present to the committee March 31st, 2017, Manitoba Hydro's intentions in respect of the 2017 rate application. I will like to table it for the record. Now, again, out of respect for the committee, I will not read the contents.

* (23:30)

And, as the Chair and everyone knows, barring an unforeseen issue, the—this committee can only end up doing one thing and that's passing the government bill. So, again, I ask everyone to take a step back, reflect, base whatever decision we're going to make on the Public Utilities Board submission, which is sometime in the future. It would seem unfortunate to make such an important decision with a bill that is very wide ranging without reviewing the latest information, of which I have been able to provide the committee. But today is the last day that bills can be passed by committee, apparently, in this system. And I hope that we will reflect and allow for input from stakeholders and move forward with even a better piece of legislation.

I will table this letter. I will also like to give an appendix, corporate overview, of the minimum filing requirements for the 2017 general rate assessment, which is—and, again, I've done this on my own using Google, and it is amazing what you can find online. And I just wish we would do this in a way that would allow us to absorb the information and absorb the presentations from the other—they—even though there was only a few of them.

I'd like to table—I'd like to continue and table—one moment, please. I'd like to table this document, it's 114 pages. It highlights major projects, targets, results, priorities, corporate integrity. I hope no one is suggesting that the integrity of the corporation is flawed, because Power Smart is within Manitoba Hydro. So that would be an interesting argument, as if that is true, then the minister must be in conflict. And that would not be a good situation for anyone. So I table this document, three copies. It's called, Working for you. It's the 65th annual report, in its entirety this time.

I would like to table this report, from the Frontier Centre. It's called the elephant in the room. This report, from the Frontier Centre, describes a lot of what the minister's been describing, actually, in the lead up to this bill. And I will table it in a moment.

And, along those lines, I would like to—I have a procedural question, Mr. Chair. I have a document that highlights—instead of giving out the whole thing, it focuses on specific pages. Now, I have a glossary of all the links and a table of contents. And I am thinking that we may not have time to go through it all, and so I'm wondering what the best way to proceed. Perhaps I just give it all to—there's three copies of everything. Just hand it over and make sure that it's in Hansard—the material.

Mr. Chairperson: I'd just like to remind the member that all of this will—all these—this will not be in Hansard. They are just going into the public record, so people can have a look at them. But this will all not be in Hansard, is my information that I've been given by our Clerk—so just to let the member know.

Mr. Fletcher: Thank you for that clarification, and all the more reason—perhaps we can include the table of contents in Hansard, if there's unanimous consent, just so there's no mistake.

So this is a presentation, again, by two very distinguished people. One is the aforementioned Graham Lane and Philip Bain. This is called Manitoba Hydro: The Elephant in the Room: So why the silence of the political lambs? Mr. Chair, these guys are pretty funny with their—or, pretty punny with their titles, I have to give them that. Okay. So I would like to table this. I have three copies, and this is a really interesting read on everything that we're talking about in clause—the first clause, section 4(a), the mandate of the legislation. So I'd like to table this, and I think you'll find it very interesting. It's about—I don't know—40 pages.

Okay, I will continue on. Next item, the—Mr. Chair, I'm just going to take a moment. I'm going to bring out the binder.

So, Mr. Chair, in this binder, we have producing electricity summary; what are the different uses of electricity; where does electricity come from; how does Manitoba Hydro produce the electricity; we have a summary about transmission.

Mr. Chairperson: The member's time has expired.

Mr. Schuler: Well, and I think we've heard a lot this evening already about Efficiency Manitoba, and we've had the opportunity to have a great and fulsome discussion. I don't think anybody realized how exciting and dynamic this would be, that people want to come to committee and debate it for two nights running, and, again, that's one of these dynamics of our democratic system. It's a good

system, and it allows for a good and healthy debate and discussion, and we don't all necessarily agree—like I'm telling something the NDP don't know—but, you know, in the end, you get through it and you—you're better for it.

There's been a lot of documents tabled. I think the Amazon forest weeps tonight, but there's a lot of information that's been tabled, and members can avail themselves of it. In fact, our Chair was absolutely right. This doesn't go word for word into Hansard, but what does happen is it is in Hansard, that these documents were tabled.

* (23:40)

So, if people go on that newfangled thing called the Internet, and new thing that Al Gore invented—and they find out that this document was tabled, they can come to the Legislative Library and they can avail themselves of the document, sit there—it's a beautiful place to sit—they can read the document, and see where things are. There's a lot of very good information. I think, if not all of it, I'd say probably 99 per cent of it is available on the Internet. They could probably just google it and get it that way. But, you know, for those who like to read it in hardcover and don't want to print it at home, they could come here and sit down in that beautiful Legislative Library one beautiful spring morning and read the documents.

So that's—you know, I think probably tabling the location of it where you can find it on Hansard probably would have saved some paper, but it is here now.

We've had a lot of discussion about various components of the legislation, and I think we've made it very clear that this is a outstanding and dynamic piece of legislation, thus, all the interest at committee.

I would daresay there was another committee that started at 6 o'clock and—not that I'm reflecting on other ministers, but I don't think it was as exciting as this committee. In fact, I don't think it even sat half as long. And it's just a testament how exciting and dynamic this legislation is, and people want to get in on this. They want to have a piece of the action. They want to be part of history, you know. They want to be on the record and all kinds of colleagues ask questions—good questions, fulsome questions, and we really appreciated that.

So I think it's been a really good process to be part of.

Mr. Fletcher: Again, I'm referring to clause (a) of section 1 where it talks about the purpose of the legislation, which still seems ambiguous. The—and given the scope of this legislation, it would—and the information presented tonight, it would be apropos to reflect, postpone and perhaps introduce—there's no rush, because we have a huge amount of supply. Demand is going to go down anyway, because prices are unfortunately going to go up. And let's do this in a—you know, it would be probably better to do it in another way.

But, again, we didn't run on creating a new Crown corporation. It's not in the Throne Speech, and it's not in the minister's mandate letter.

But what is in the minister's mandate letter is consultation, and we have denied members the opportunity to present at committee tonight. And though the minister and all the other much more experienced members could have moved extension of time for those few presenters that did find out within the 48 hours, that wasn't done. Why not? I'm not sure.

But, again, in 17 minutes, it all comes to an end.

So I'd like to just discuss what I am going to give to the—hand in to the Clerk and table at this committee: Electricity today and tomorrow: alternative sources, thermal, wind, biomass, solar energy, combustion turbine.

I'd like to talk about page 13: the Electricity exports, benefits to Manitoba for electricity exports, Variability of water supply—minister raised that; the flood risk—which is all the more reason to focus on core competencies, like managing supply and demand together within one organization.

Our power sales to the US—that's page 16; Manitoba Hydro's US sales agreement; reduction of emissions—that's page 17; Helping U.S. renewables; Comparison of GHG emissions; Integrated & reliable material; Transmission solutions; Benefits for Minnesota—that's very important, because, obviously, the greater we can make the case for our exports, the—it mitigates the cost even if the exports are a fraction of what a Manitoba ratepayer provides. So if a—say on a spot market, it's 3 cents a kilowatt hour and Manitobans are paying 8 cents, it's still worthwhile to sell that power at 3 cents, because that is 3 cents that we had not received anyway. And that is how Manitoba Hydro has operated for decades. Unfortunately, that market has crashed, which really puts everyone in a tight spot.

So I'll go on. There's Corporate profile; there's a table of contents, on another part. And this is Climate change science; Climate change indicators; Climate change strategies; Global climate change—that's page 10 of the—of another document, which I'm going to table. Global climate change; Climate change and Manitoba Hydro—very apropos too—that's page 10. Manitoba Hydro's climate change studies; Hydroclimatic analysis & monitoring; Normals; and Monitoring—and it—that is from 1981 to 2010. Climate change scenarios; Hydrological Modeling; Future runoff scenarios; Memberships, working groups, and research & development, to name a few.

I'll go on. GHG measurement and reporting; Voluntary reporting; Mandatory reporting requirements; Reservoir monitoring; Research & development support—that's page 32. Canada energy partnership for environmental innovation, CEPEI; Contribute to GHG reductions—oh, that's what—so that's Renewable generation development; The Power Smart program—that's page 37; Supply side enhancements—that is an interesting read, supply side. We've been talking about demand side—carbon markets programs.

Then there's a whole bunch of stuff about rates: Alternative rate options; Surplus energy program; Curtailable rate program; General service medium—that's page 50. If you go to page 57 in this document, Historical electricity rates; and you can go down to Saskatchewan—some media inquiries about Saskatchewan—Saskatchewan organization tells carbon tax will hurt western Canada; Taxpayer federation, heavy construction association, United Steelworkers call on the feds to pursue a different course; Don't tax carbon—cattle farmers—I guess, cows emit greenhouse gases, technically. Next—I wonder what—how we manage to demand on that.

Carbon—Alberta carbon trap—capture and storage cancelled—other reason of what we can sell our power.

How much time do I have, Mr. Chair?

Mr. Chairperson: Three minutes.

Mr. Fletcher: Three minutes.

New Democratic Party reintroduces bill to cap greenhouse gas emissions—'ENHHH'—that's didn't go very far. Some other systems in other parts of the world; EU emissions trading scheme, UK climate change—that's apropos, of course, because the UK election is happening at the moment. Canadian

energy law: Lawyers & attorneys for environmental energy law—all have stuff to say about this. There are some more media articles and a definition of carbon transmissibles considerations—that is around page 115 in this document.

* (23:50)

Now, we—non-energy CO₂, other greenhouse gasses, which we haven't talked about; existing carbon taxes. We have to—I wish we could talk about—and by the way, does this legislation have the ability to place fees, levies, taxes or any other kind of expense on any Manitoban or all Manitobans? I'd be interested in the answer to that, and I—like in a carbon tax vehicle, for example. I think that is very important—or, a vehicle to impose a carbon tax, which, I'm sure, won't be the case but it's worth asking.

We got examples of carbon taxes in other jurisdictions and a lovely case study from Norway, including the multi-integral calculus formulas used to derive the emissions—which, for those fans of differential equations will enjoy. And there's modelling available in this product that I'm going to table and again this is something that I have put together that actually wasn't used but I think it's relevant, as I said in the last meeting. So—

Mr. Chairperson: The member's time has expired.

Mr. Schuler: To the committee: we started today talking about how we got to this point. We mentioned that it started way back with the construction of the Wuskwatim dam, which initially was supposed to cost approximately \$800 million in 2006. By 2012, it had ballooned to a total cost, including with the hydro lines that it needed, of \$1.6 billion. It was the warning sign that these hydro projects were always being underestimated and running over budget.

However, that was not enough of a warning sign to the NDP, and they proceeded with the Keeyask construction, which began in 2013 with an initial budget of \$6.5 billion, which escalated to now budgeted at \$8.7 billion, an increase of \$2.2 billion. And we understand, again, we laid this out at committee, that Keeyask never properly went in front of the Public Utilities Board. In fact, it went after construction had already started. There was already \$1.2 billion of construction that taken place and, de facto, the Public Utilities Board said it rendered any decision they were going to make

ineffective because it was already under construction.

Bipole III, which was not allowed—disallowed, in fact, by the member for St. Boniface (Mr. Selinger) and his government, the former premier—was disallowed to go to the Public Utilities Board. It was forbidden at Manitoba Hydro that they look at any options other than going west. Bipole III, in fact, it was under the member for St. Boniface and his minister, the honourable Dave Chomiak, who said the bipole line would pay for itself, it would be cheaper than free. And it went from an initial budget, then, of \$4.65 billion to \$5.04 billion and running.

We know that there were a lot of different steps that Manitoba Hydro went through with the Clean Environment Commission, and at no point in time was the Public Utilities Board or any other board allowed to talk about the debt of Manitoba Hydro and where this might lead. Nowhere in any of the discussions, nowhere was there ever a discussion of how Manitoba Hydro was going to pay for the construction of this dam. In fact, 2015 Manitoba Hydro debt was at \$12 billion. The projection is that by 2021, if we do nothing differently, Manitoba Hydro debt could hit a high of \$23 billion. This is a concern to bond rating agencies. Those agencies independent of Manitoba; they're independent of government. You cannot influence them. And they've downgraded Manitoba's credit rating—both under the member for St. Boniface—once was the provincial debt, the second time was because of Manitoba Hydro debt.

We mentioned that debt-equity ratio right now. Manitoba Hydro is sitting at a debt-equity ratio—equity being at 16 per cent; the rest being debt, which is one of the highest in Canada.

There was also a discussion that—but, with other dams, like, for instance, Limestone, we also had high debt. In fact, one member—I think it was the member for Fort Garry-Riverview (Mr. Allum)—said, well, you know what, we've always had a debt-to-GDP ratio. Well, he's absolutely right, because when Limestone came online, debt-equity ratio was at 15 per cent. If we go with the forecasts of Conawapa, that would change to a debt-to-GDP ratio of 65 per cent. The two are not comparable. We have placed Manitoba in a far greater financial risk than ever before.

I went through and I discussed some of the conversations that had taken place at committee. We

had the comment, let's do nothing, status quo—or, you know, put our head in the sand and just hope the problem goes away. We know that that's not leadership, and leadership is going to be that we have to effect change. And, when you have change, you have progress; you can't have progress without change. And we want to see Manitoba move ahead. We want to see Manitoba take on the responsibility of what the NDP left behind us.

This, again, is not an issue of supply or supply exceeding demand or demand is exceeding supply, but, rather, that, in the next five years, we have an issue to deal with. The next five years, we're going to go increasingly to the market and borrow for the Keeyask and Bipole projects, and there is no return on that money; in fact, we are borrowing interest to pay the interest on interest. Once the five years are complete, then we will hopefully see some water running through the hydro dams and we will see some profits.

We believe that Efficiency Manitoba is a long-term insurance policy for hydro ratepayers.

An Honourable Member: A point of order.

Mr. Schuler: We believe that—

Point of Order

Mr. Chairperson: Mr. Fletcher, on a point of order.

Mr. Fletcher: Yes, I have provided a glossary of all the Internet links, and I wonder if the committee would consider including that document—in three copies—in Hansard?—or whatever.

Mr. Chairperson: That is not a point of order.

* * *

Mr. Chairperson: But I would ask the committee if they feel that we should include glossary in the Hansard?

An Honourable Member: Agreed.

An Honourable Member: No.

Mr. Chairperson: I hear a no.

The request is denied.

Mr. Schuler: So now we are at the Bill 19. We've heard comments, if it isn't broke, don't fix it. We

believe there is a lot broken, and it needs fixing. And that's exactly what Bill 19 is going to do. It is going to protect Manitobans and Manitoba ratepayers on a go-forward basis.

This isn't just good public policy; this is great public policy. This is a dynamic way to take on an issue that should have been addressed before we went into the Keeyask project. Yes, it challenges status quo, but it's also something that's going to bring progress to Manitoba. It is something that's coming not just in Manitoba but across the country. In fact, there are going to be jurisdictions across North America that are going to have to look at being far more efficient in the way that we use our electricity.

We recommend to this committee to pass this on and give it full support. We understand that Efficiency Manitoba is the right way—

* (00:00)

Mr. Chairperson: The hour being 12 midnight, in accordance with rule 2(16)(c), I must interrupt the proceedings and, without any further debate or amendment, other than the amendments filed by 11 p.m., I must put every question necessary to complete clause-by-clause consideration of Bill 19 and Bill 20.

We will now move to clause-by-clause.

Clause 1—pass; clause 2—pass.

Shall clauses 3 and 4 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: I hear a no.

Clause 3—pass.

Shall clause 4 pass?

Some Honourable Members: Pass.

An Honourable Member: No, I have an amendment.

Mr. Chairperson: Mr. Altemeyer.

Mr. Altemeyer: Mr. Chair, I wish to present the following amendments under this section, that the following be added—*[interjection]*—oh, okay.

I move, seconded by the honourable—*[interjection]*—I don't need a seconder. I'm just moving this; it's late. All right.

I move

THAT the following be added after Clause 4(3) of the Bill:

Manitoba Industrial Power Users Group excluded 4(4) The mandate of Efficiency Manitoba does not extend to work involving any member of the Manitoba Industrial Power Users Group.

Mr. Chairperson: It has been moved by Mr. Altemeyer

THAT—

An Honourable Member: Dispense.

Mr. Chairperson: Dispense?

Shall the—the amendment is in order. Shall the amendment pass?

Some Honourable Members: Yes.

Some Honourable Members: No.

Mr. Chairperson: The amendment is accordingly defeated. [*interjection*]-well, I didn't hear—yes. Shall the amendment pass?

Some Honourable Members: Yes.

Some Honourable Members: No.

Mr. Chairperson: All right. Shall the amendment pass?

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Recorded Vote

An Honourable Member: A recorded vote, please.

Mr. Chairperson: Mr. Altemeyer.

Mr. Altemeyer: I'd like to request a recorded vote, please.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: The amendment is accordingly defeated.

Mr. Chairperson: Shall clauses 5 and—

Clause 4—pass; clauses 5 and 6—pass; clause 7—pass.

Shall clauses 8 and 9 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: Shall clause 8 pass?

Some Honourable Members: Pass.

An Honourable Member: No. I have an amendment.

Mr. Chairperson: Mr. Altemeyer.

Mr. Altemeyer: I move

THAT the following be added after Clause 8 of the Bill:

Regulation must meet emission targets

8.1 A regulation made under section 8 must, at a minimum, meet the government's targets for reducing greenhouse gas emissions.

Mr. Chairperson: It has been moved by Mr. Altemeyer

THAT—

Some Honourable Members: Dispense.

Mr. Chairperson: The amendment is in order. Shall the amendment pass?

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Recorded Vote

Mr. Altemeyer: A recorded vote, please.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: The amendment is accordingly defeated.

* * *

Mr. Chairperson: Shall clauses 8 and 9 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: Clause 8—pass.

Shall clause 9 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Altemeyer: I have an amendment to propose.

I move

THAT the following be added after Clause 9(g) of the bill:

(g.1) a description of the number of person-years of employment to be created during the three-year period, including the number of persons to be employed who previously faced barriers to employment;

Mr. Chairperson: It has been moved by Mr. Altemeyer—

An Honourable Member: Dispense.

Mr. Chairperson: The amendment is in order.

Shall the amendment pass?

Some Honourable Members: Yes.

An Honourable Member: No.

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

The amendment is accordingly—Mr. Altemeyer.

Recorded Vote

Mr. Altemeyer: Recorded vote, please.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: The amendment is accordingly defeated.

* * *

Mr. Chairperson: Clause 9—pass; clauses 10 and 11—pass.

Shall clause 12 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: Mr. Altemeyer.

Mr. Altemeyer: I move

THAT Clause 12(5)(b) of the Bill be replaced with the following:

(b) offer a better cost-benefit outcome than at least one of the activities to be implemented during the three-year period of the efficiency plan.

Mr. Chairperson: It has been moved by Mr. Altemeyer—

An Honourable Member: Dispense.

Mr. Chairperson: The amendment is in order.

Shall the amendment pass?

Some Honourable Members: Yes.

An Honourable Member: No.

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Recorded Vote

Mr. Altemeyer: A recorded vote, please.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: The amendment is accordingly defeated.

* * *

Mr. Chairperson: Clause 12—pass; clauses 13 and 14—pass; clause 15—pass.

Shall clause 16 pass?

An Honourable Member: Pass.

Some Honourable Members: No.

Mr. Chairperson: Mr. Altemeyer.

Mr. Altemeyer: I move

THAT Clause 16(3)(b) of the Bill be amended by striking out ", or through other public means".

Mr. Chairperson: It has been moved by Mr. Altemeyer—

Some Honourable Members: Dispense.

Mr. Chairperson: The amendment is in order.

Shall the amendment pass?

Some Honourable Members: Yes.

An Honourable Member: No.

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

* (00:10)

Recorded Vote

Mr. Altemeyer: A recorded vote, please.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: The amendment is accordingly defeated.

* * *

Mr. Chairperson: Shall clause 12—oh, we're six—16 we're on, sorry. Shall clause 16 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Altemeyer: I move

THAT Clause 16(5)(b) of the Bill be amended by adding ", which must be published on its website" at the end.

Mr. Chairperson: It has been moved by Mr. Altemeyer—

Some Honourable Members: Dispense.

Mr. Chairperson: The amendment is in order.

Shall the amendment pass?

An Honourable Member: Yes.

Some Honourable Members: No.

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Recorded Vote

Mr. Altemeyer: A recorded vote, please.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: The amendment is accordingly defeated.

* * *

Mr. Chairperson: Shall six—shall clause 16 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Altemeyer: I move

THAT Clause 16(7) of the Bill be amended by striking out "on a website available to the public or through other public means" and substituting "on the website of the minister's department, and by Efficiency Manitoba on its website".

Mr. Chairperson: It has been moved by—

Some Honourable Members: Dispense.

Mr. Chairperson: The amendment is in order.

Shall the amendment pass?

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Recorded Vote

An Honourable Member: Recorded vote, please, Mr. Chair.

Mr. Chairperson: Mr. Altemeyer.

Mr. Altemeyer: Recorded vote.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: The amendment is accordingly defeated.

* * *

Mr. Chairperson: Clause 16—pass. Clause 17—pass.

Shall clause 18 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Altemeyer: I move

THAT Clause 18(2) of the Bill be amended by striking out ", less any funds Efficiency Manitoba has available from other sources".

Mr. Chairperson: It has been moved by Mr. Altemeyer—

Some Honourable Members: Dispense.

Mr. Chairperson: The amendment is in order.

Shall the amendment pass?

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Recorded Vote

Mr. Altemeyer: Recorded vote, please, Mr. Chair.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: The amendment is accordingly defeated.

* * *

Mr. Chairperson: Clause 18—pass; clause 19—pass; clauses 20 and 21—pass; clauses 22 through 24—pass.

Shall clauses 25 through 27 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: Clause 25—pass; clause 26—pass.

Shall clause 27 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: Mr. Altemeyer.

Mr. Altemeyer: I move

THAT Clause 27(2) of the Bill be amended by adding ", greenhouse gas emission reductions and job creation," after "experience in energy efficiency".

Mr. Chairperson: It has been moved by Mr. Altemeyer

THAT the clause—

Some Honourable Members: Dispense.

Mr. Chairperson: The amendment is in order.

Shall the amendment pass?

Some Honourable Members: Yes.

An Honourable Member: No.

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Recorded Vote

Mr. Altemeyer: A recorded vote, please, Mr. Chair.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: The amendment is accordingly defeated.

* * *

Mr. Chairperson: Clause 27—pass; clauses 28 and 29—pass.

Shall clauses 30 through 32 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: Shall clause 30 pass?

Some Honourable Members: Yes.

An Honourable Member: No.

Mr. Chairperson: Mr. Altemeyer.

Mr. Altemeyer: I move

THAT Clause 30 of the Bill be replaced with the following:

No privatization or asset sale without referendum 30 Neither the government nor Efficiency Manitoba or any other person or entity shall

(a) privatize Efficiency Manitoba; or

(b) sell, lease or otherwise dispose of any property of Efficiency Manitoba to the private sector, other than in the ordinary course of business;

unless the government first puts the question of the advisability of the privatization or disposal of property to the voters of Manitoba in a referendum, and the privatization or disposal is approved by a majority of votes cast in the referendum.

Mr. Chairperson: It has been moved by Mr. Altemeyer—

Some Honourable Members: Dispense.

Mr. Chairperson: The amendment is in order.

Shall the amendment pass?

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Recorded Vote

Mr. Altemeyer: Recorded vote.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: The amendment is accordingly defeated.

* * *

Mr. Chairperson: Shall clause 30 through 32 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: Clause 30—pass; clause 31—pass.

Shall clause 32 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: Mr. Altemeyer.

Mr. Altemeyer: I move

THAT Clause 32(1)(c)(iii)—or triple I, however you say that—of the Bill be replaced with the following:

(iii) an analysis of the cost-effectiveness of those initiatives, in accordance with the factors described in subsection 11(4); and

Mr. Chairperson: It has been moved by Mr. Altemeyer—

Some Honourable Members: Dispense.

Mr. Chairperson: Is there will of the committee to accept the amendment as written? *[Agreed]*

THAT Clause 32(1)(c)(iii) of the Bill be replaced with the following:

(iii) an analysis of the cost-effectiveness of those initiatives, in accordance with the factors described in subsection 11(4); and

The amendment is in order.

Shall the amendment pass?

Some Honourable Members: Yes.

An Honourable Member: No.

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Recorded Vote

Mr. Altemeyer: One last time—a recorded vote, please, Mr. Chair.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: The amendment is accordingly defeated.

* * *

* (00:20)

Mr. Chairperson: Clause 32—pass; clauses 33 and 34—pass; clause 35—pass; clauses 36 and 37—pass; clauses 38 and 39—pass; clause 40—pass; clauses 41 through 43—pass; clauses 44 through 47—pass; clause 48—pass; clauses 49 through 51—pass; enacting clause—pass; title—pass. Bill be reported.

The hour being—*[interjection]*—no, oh, we have another—that's right too. We have to go to Bill 20. Sorry.

Bill 20—The Crown Corporations Governance and Accountability Act

Mr. Chairperson: We will now move to Bill 20.

Clause 1—pass; clause 2—pass; clause 3—pass; clause 4—pass; clauses 5 and 6—pass; clause 7—pass; clauses 8 and 9—pass; clause 10—pass; clauses 11 and 12—pass; clause 13—pass; clause 14—pass; clause 15—pass; clause 16 and 17—pass; clauses 18 and 19—pass; clause 20—pass; clause 21—pass; clauses 22 and 23—pass; clause 24—pass; clause 25—pass; clause 26—pass; clause 27—pass; clauses 28 and 29—pass; clauses 30 and 31—pass; clauses 32 through 34—pass; clauses 35 through 38—pass.

Shall clauses 39 through 41 pass?

An Honourable Member: On division. *[interjection]* Sorry, I jumped the gun.

Mr. Chairperson: Clauses 39 through 41—pass.

Shall the enacting clause pass?

Some Honourable Members: Pass.

An Honourable Member: On division. No.

Voice Vote

Mr. Chairperson: All those in favour of the enacting clause, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Rob Altemeyer (Wolseley): On division, please.

Mr. Chairperson: The enacting clause is accordingly passed, on division.

* * *

Mr. Chairperson: Title-pass; Bill be reported.

The hour being 12:26, what is the will of the committee?

Some Honourable Members: Committee rise.

Mr. Chairperson: Agreed committee rise? *[Agreed]*

Committee rise.

COMMITTEE ROSE AT: 12:26 a.m.

WRITTEN SUBMISSIONS

Re: Bill 19

To quote Mr. Schuler:

"You must have change to have progress.

Guess what? I concur with 78% of Manitobans who commend our existing PowerSmart program.

Here is my quote:

"If it ain't broke, don't fix it!

Caroline Shaver

Re: Bill 19

Thank committee. Here as a citizen now, versus representing an organization.

I am still against Bill 19 for many of the same reasons that all presenters gave but would like to add a few more thoughts as I consider how the future generation will be affected by this premature plan, Bill 19.

It's no secret that the export market for surplus energy is not as strong as it used to be and although it may yet improve steps must be taken now to

mitigate these effects. The current soft state of the export market means that alternate domestic markets must be encouraged and pursued wherever possible. We need to look further than traditional methods and markets; we need to find innovative solutions; and this can continue to be done from inside and outside of Manitoba Hydro. Climate change is real and it is not a matter of whether we will see change but of how much change we will see. In our pursuit of climate change risk mitigation we must address GHG emissions and this must include energy efficiency strategies that influence emissions reductions across as many sectors as possible. Advances in the transportation sector can bring even more gains in terms of reduced GHG emissions and increased domestic load. For example, promoting electric vehicle use in public and private transportation will deliver benefits to Manitobans now and to our children for years to come. Both of these areas cannot be overlooked, in 2014, these two sectors combined produced about half of GHG emissions in Manitoba. Restoring the Energy Efficiency Act for home heating programs and adding tools to make improvements in transportation sector emissions has the dual benefit of reducing emissions and increasing economically preferable domestic load. If and when export sales return to historically profitable levels Manitobans will be happy knowing they were well served in the meantime by energy savings programs that combine energy saving with responsible climate change actions and put Manitoba on sound environmental and economic footing.

The repeal of the Energy Savings Act contained in Bill 19 and the Bill's failure to address the use of fossil fuels for space heating in Bill 19 misses an important opportunity to grow domestic load while reducing GHG emissions. This may seem to be at odds with a mandate to save on electrical energy use but a case can be made to replace home heating fuels with more environmentally sensible options like electricity. It is not environmentally responsible to remove programs which limit the use of fossil fuels for space heating when an alternate form of cleaner energy is abundantly available. This may result in customers reverting to natural gas for home heating in order to save money now but then being left to face future price volatility after making significant capital investment. This comes at a cost to the consumer, as many Manitobans have experienced over the years, and at a cost to the environment. As those environmental costs get incorporated and realized into the new carbon economy customers who heat with natural gas will be the losers.

Conversely, promoting the use of electrical energy over natural gas for residential and commercial space heating reduces GHG emissions and will protect those consumers. The Energy Savings Act, and the Winter Heating Cost Control Act before it, have worked since 2006 to reduce fossil fuel GHG emissions by providing home heating incentives and alternatives. It should be restored.

For the sake of the future generation and the burdens they will face, please stop Bill 19 and re-evaluate your position to consult more and come up with a plan that addresses all the points raised by the speakers to this bill.

Thank you.

Chris Mravinec

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.gov.mb.ca/legislature/hansard/hansard.html>