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# Official Report of Debates (Hansard)

Monday 16 November 2015

# Journal des débats (Hansard)

Lundi 16 novembre 2015

## Standing Committee on General Government

Strengthening Consumer  
Protection and Electricity  
System Oversight Act, 2015

## Comité permanent des affaires gouvernementales

Loi de 2015 pour renforcer  
la protection des consommateurs  
et la surveillance  
du réseau d'électricité

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES**

Monday 16 November 2015

Lundi 16 novembre 2015

*The committee met at 1401 in committee room 2.*

**STRENGTHENING CONSUMER  
PROTECTION AND ELECTRICITY  
SYSTEM OVERSIGHT ACT, 2015  
LOI DE 2015 POUR RENFORCER  
LA PROTECTION DES CONSOMMATEURS  
ET LA SURVEILLANCE  
DU RÉSEAU D'ÉLECTRICITÉ**

Consideration of the following bill:

Bill 112, An Act to amend the Energy Consumer Protection Act, 2010 and the Ontario Energy Board Act, 1998 / Projet de loi 112, Loi modifiant la Loi de 2010 sur la protection des consommateurs d'énergie et la Loi de 1998 sur la Commission de l'énergie de l'Ontario.

**The Chair (Mr. Grant Crack):** Good afternoon, everyone. I'd like to call the meeting of the Standing Committee on General Government to order. I'd like to welcome all members of the committee, the Clerk's office, legislative counsel, Hansard and everyone else here this afternoon.

We're here to deal with clause-by-clause consideration of Bill 112, An Act to amend the Energy Consumer Protection Act, 2010 and the Ontario Energy Board Act, 1998.

Are there any comments or questions prior to commencing clause-by-clause consideration?

There being none, I would like to remind the members that we are on an order from the House. Of course, we're authorized to meet today and Wednesday for the purpose of clause-by-clause consideration. However, "on Monday, November 16, 2015, at 5 p.m., those amendments which have not yet been moved shall be deemed to have been moved, and the Chair of the committee shall interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all remaining sections of the bill and any amendments thereto. At this time, the Chair shall allow one 20-minute waiting period, pursuant to standing order 129(a)."

Welcome, Mr. Yakabuski.

**Mr. John Yakabuski:** Good afternoon, Chair.

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

We shall start with section 1.

*Interjection.*

**The Chair (Mr. Grant Crack):** A point of order? A point of clarification?

**Ms. Ann Hoggarth:** Clarification: Did you say by 5 o'clock or by 4 o'clock?

**The Chair (Mr. Grant Crack):** Five p.m. Any amendments that are not moved shall be deemed to have been moved.

**Mr. John Yakabuski:** That's 5 on Wednesday?

**The Chair (Mr. Grant Crack):** Five p.m. today.

**Mr. John Yakabuski:** Today. Okay.

**The Chair (Mr. Grant Crack):** We are going to commence with section 1. There are no amendments. Shall section 1 carry?

Those in favour? Those opposed? Section 1 is carried.

We shall move to section 2. We have NDP motion number 1. I would ask Mr. Tabuns to read it into the record.

**Mr. Peter Tabuns:** I move that sections 9.1 and 9.2 of the Energy Consumer Protection Act, 2010, as set out in section 2 of the bill, be struck out and the following substituted:

"Door-to-door sales, marketing

"9.1 No supplier shall,

"(a) sell or offer to sell electricity or gas to a consumer in person at the consumer's home;

"(b) advertise or market the sale of electricity or gas to a consumer in person at the consumer's home; or

"(c) cause a salesperson to undertake an activity referred to in clause (a) or (b).

"Contract void

"9.2 A contract that is entered into as a result of a contravention of section 9.1 is deemed to be void in accordance with section 16."

**The Chair (Mr. Grant Crack):** Discussion?

**Mr. Peter Tabuns:** Chair, we've been dealing with this issue for a number of years. I was around for the debate on the Energy Consumer Protection Act in 2010. We said at the time that the act didn't go far enough: that these sales have to end, that they serve no useful purpose to the public. We believe there is an opportunity today to end this practice. I believe that the committee should support this amendment.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Delaney.

**Mr. Bob Delaney:** The government will be voting against this amendment. The Ontario Energy Board's report on the effectiveness of the Energy Consumer Protection Act recommended banning door-to-door sales only, and we feel that there would be a concern regarding

freedom-of-expression concerns under the charter in this case.

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

**Mr. Peter Tabuns:** I'll just ask for a recorded vote when we get to the vote.

**The Chair (Mr. Grant Crack):** Any further discussion? There has been a request for a recorded vote, so I shall call for the vote.

### Ayes

Tabuns.

### Nays

Colle, Delaney, Dickson, Hoggarth, Kiwala.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 1 defeated.

We shall move to PC motion number 2, and I shall ask Mr. Yakabuski to read it into the record, please.

**Mr. John Yakabuski:** I move that section 9.3 of the Energy Consumer Protection Act, 2010, as set out in section 2 of the bill, be amended by striking out "consumers" wherever it appears and substituting in each case "residential consumers".

**The Chair (Mr. Grant Crack):** Any further discussion? Mr. Delaney.

**Mr. Bob Delaney:** The government will not be supporting this motion. The Ministry of Energy has accepted the Ontario Energy Board's recommendation to set rules regarding remuneration, as put forward in its report Consumers Come First: A Report of the Ontario Energy Board on the Effectiveness of Part II of the Energy Consumer Protection Act, 2010. The goal of the Energy Consumer Protection Act is to ensure that low-volume consumers, both residential and small business, are protected from aggressive and unfair sales tactics.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Yakabuski.

**Mr. John Yakabuski:** Well, I'm disappointed that the government is not going to support this. They don't tell any other business how to remunerate their employees, and I think it's an overreach for them to be doing it in this industry.

The bill accomplishes what we support, which is the ending of the door-to-door sales. How those people are remunerated—I guess I would ask, what is the next industry on the government's agenda with respect to commission sales? Because if it's wrong for one industry, then it's wrong.

So I wonder when you'll be coming out with the additional legislation. My guess is never, because you know it's wrong to try to determine how an employee should be remunerated by their employer. I would suggest you won't be coming out with any legislation and, therefore, you shouldn't preclude one industry from remunerating their employees in this fashion. However, I can count and

recognize that the government will strike down this amendment. I'm disappointed.

**The Chair (Mr. Grant Crack):** Further discussion?

There being none, I shall call for the vote. Those in favour of PC motion number 2? Those opposed? I declare PC motion number 2 defeated.

We shall move to PC motion number 3, which is an amendment to section 2, section 9.3 of the Energy Consumer Protection Act, 2010. Mr. McDonnell.

**Mr. Jim McDonnell:** I move that section 9.3 of the Energy Consumer Protection Act, 2010, as set out in section 2 of the bill, be struck out.

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

There being none—

**Mr. John Yakabuski:** Well, no—sorry. I thought the Liberals would—well, we understand this—

**The Chair (Mr. Grant Crack):** Mr. Yakabuski.

**Mr. John Yakabuski:** This is similar to the last amendment. I guess, if the other one didn't pass, we know this one's not going to pass. But once again, I'm disappointed that the government has determined that they will decide how one industry remunerates their employees while continuing to be moot on other industries. Thank you.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Delaney.

**Mr. Bob Delaney:** The government's feeling is that we wish to reduce the incentive to engage in aggressive sales tactics.

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

**Mr. John Yakabuski:** Do they believe that—

**The Chair (Mr. Grant Crack):** Mr. Yakabuski.

**Mr. John Yakabuski:** Sorry. Thank you, Chair. Does the parliamentary assistant believe that there are no aggressive sales tactics in any other commission-related business?

**Mr. Bob Delaney:** Outside the scope of the bill.

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**Mr. John Yakabuski:** When it's convenient, eh? When it's convenient.

**The Chair (Mr. Grant Crack):** Through the Chair, please.

Mr. McDonnell.

**Mr. Jim McDonnell:** The purpose of this amendment is to allow commission sales when you're talking about businesses. It's the basis of sales. In business, they have time. They expect to be visited by their sales reps. If they can't pay them by commission, it changes how the whole industry works.

It's been an approved method in pharmaceuticals, farm machinery, you name it. So why is it different for this group here? We agree with the door-to-door sales, but again, this is talking about businesses.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion? There being none, I shall call for the vote on PC motion number 3. Those in favour? Those opposed? I declare PC motion number 3 defeated.

We shall move to NDP motion number 4, which is an amendment to section 2. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 2 of the bill be struck out and the following substituted:

“2. The act is amended by adding the following section:

“Prohibition on sales, marketing

“9.1(1) No supplier shall,

“(a) sell or offer to sell electricity or gas to a consumer for use in the consumer’s home;

“(b) advertise or market the sale of electricity or gas to a consumer for use in the consumer’s home; or

“(c) cause a salesperson to undertake an activity referred to in clause (a) or (b).

“Contract void

“(2) A contract that is entered into as a result of a contravention of subsection (1) is deemed to be void in accordance with section 16.”

Chair, I see that the government didn’t vote for my amendments that would end this whole retail electricity sector entirely with regard to residential customers. I’m suggesting that we restrict marketing activities so that people are not drawn into a scheme which frankly benefits very few people in this province, if any at all, and which the Electricity Distributors Association has said adds hundreds of millions of dollars a year to people’s electricity bills, with no benefit or gain.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Tabuns. Further discussion? Mr. Delaney.

**Mr. Bob Delaney:** I appreciate the comments made by my colleague, but the policy intent of the legislation is not to completely ban retail energy contracts for residential consumers. In the report I mentioned in my previous response, the OEB did not recommend a ban on retail contracts for residential consumers.

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

**Mr. Peter Tabuns:** I’ll be brief. We went through this debate in 2010. The government at the time didn’t recognize that it had to act far more strongly on this matter. It temporized. Five years later, we still have a substantial problem. Eventually, this whole sector will be eliminated because, like pyramid selling, it doesn’t benefit the public.

I would like a recorded vote. I have nothing more to say on it.

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

**Mr. John Yakabuski:** I appreciate what Mr. Delaney has said, but ostensibly, by not agreeing with some of these amendments, you are doing exactly that.

At least I could say the third party, the NDP, is clear about their feelings on it. They want to ban the practice period, outright, full stop. You’re trying to dance around the issue and do it by stealth and by death of a thousand cuts by taking out the ability to remunerate your employees by commission. That’s one of the steps that you’re taking, without having the courage to actually do

what the NDP are at least saying. I may not agree with them, but at least they have the courage to stand by it.

I just wanted to make sure that you understood that we certainly understand what’s going on here. The government just doesn’t have the fortitude to do what they want to do, so they’re going to do it by the back door because they haven’t got the guts to do it by the front door.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion? There being none, there has been a request by Mr. Tabuns for a recorded vote, so I shall call the vote.

**Ayes**

Tabuns.

**Nays**

Colle, Delaney, Dickson, Hoggarth, Kiwala.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 4 defeated.

As a result, there are no amendments to section 2. Is there any further discussion on section 2 in its entirety? Mr. Tabuns.

**Mr. Peter Tabuns:** No, I’ll just vote against. Show me as voting against.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Tabuns. Then I shall call for the vote.

Shall section 2 carry? Those in favour? Those opposed? I declare section 2 carried.

We shall move to section 3. There are no proposed amendments. Any discussion on section 3? There being none, I shall call the vote.

Shall section 3 carry? Those in favour? Any opposed? I declare section 3 carried.

We shall move to section 4. We have PC amendment number 5, which proposes a new subsection (0.1), new subsection 15(3.1), Energy Consumer Protection Act, 2010.

Mr. Yakabuski.

**Mr. John Yakabuski:** I move that section 4 of the bill be amended by adding the following subsection:

“(0.1) Section 15 of the act is amended by adding the following subsection:

“Internet agreement

“(3.1) A person may verify an Internet agreement within the meaning of part IV of the Consumer Protection Act, 2002 by using the online verification method established by the regulations.”

**The Chair (Mr. Grant Crack):** Thank you. Further discussion? Mr. Delaney.

**Mr. Bob Delaney:** We understand what it is that the member is proposing, and while the government will not be supporting this motion, one thing I think—

**Mr. John Yakabuski:** Surprise, surprise.

**Mr. Bob Delaney:** I’d like to just make a couple of points on it. The manner of verification is one that can be prescribed by regulations made under the Energy Con-

sumer Protection Act. In this case, appreciating the spirit within which the amendment is offered, a legislative amendment is not required, and indeed future regulatory amendments could allow for flexibility with respect to how verification occurs.

**The Chair (Mr. Grant Crack):** Mr. Yakabuski.

**Mr. John Yakabuski:** Well, if we were to codify it in this legislation, it would be there, not subject to the regulatory whims of the government. It would be part of the bill. What we're saying is that in this Internet age, it's really unnecessary to require a phone verification. It could be done by a survey between the parties that have agreed to a contract—that the verification could be done online. I think it's in keeping with—we're not suggesting in any way that if a person is unhappy with the terms of the contract—they can still have that contract voided in the time frame, but what is the necessity to contact by phone?

So many things are done online today. Mr. Delaney is the computer whiz here. He tells me things about computers; I don't even understand the words he's using. He's a genius when it comes to computers. I would ask him, does he go to the bank or does he do his banking via the Internet? If you trust those people to deal with your millions of dollars, surely to goodness you can trust the Internet to deal with a verification as to whether or not you want to proceed with the contract. It's not complicated. It's computers. It's the Internet. It's the new age. Get with the program.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Delaney.

**Mr. Bob Delaney:** Accepting the kind comments made by my colleague—then let's put it into software speak, Chair. The manner of verification is not what would be called a showstopper in this particular legislation. Indeed, in its report on the effectiveness of the Energy Consumer Protection Act, the Ontario Energy Board noted that “verification is an effective consumer protection tool” and recommended that the “verification of all contracts, regardless of the method or circumstances of enrolment, would best ensure that all consumers are on a level playing field in terms of consumer protection,” all of which is to say that as the technology evolves, the ability of the legislation to be able to respond should be equally quick. Hence, we feel that this particular measure is best served in regulation and not by cementing it into legislation.

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

**Mr. John Yakabuski:** I'm not going to belabour this for weeks because I know the directions you have from the corner office, and you're not allowed to deviate from them—even if we have a conversation over the Internet. For those people who do not have access to online verification, the telephone verification still applies, but it simply allows people who willingly and voluntarily wish to verify their contracts by new technology, like new 20 years ago—they can still do that. We're just asking for that to be dealt with in legislation.

Turn off your speaker if it's hooked up to the corner office. Just think for yourself for a minute and don't pay attention to what they're saying up there in the corner. Let's just do the right thing.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Bob Delaney:** I think we're there, Chair.

**The Chair (Mr. Grant Crack):** There being none, I shall call the vote on PC motion—

**Mr. John Yakabuski:** We'll have a recorded vote on that.

**The Chair (Mr. Grant Crack):** —number 5, and there has been a request for a recorded vote.

### Ayes

McDonell, Yakabuski.

### Nays

Colle, Delaney, Dickson, Hoggarth, Kiwala, Tabuns.

**The Chair (Mr. Grant Crack):** I declare PC motion number 5 defeated.

We shall move to PC motion number 6, which is an amendment to subsection 4(1), subsection 15(4) of the Energy Consumer Protection Act, 2010.

**Mr. Jim McDonell:** I move that subsection 4(1) of the bill be struck out.

**The Chair (Mr. Grant Crack):** Any further discussion? There being none, I shall call for the vote. Those in favour of PC motion number 6?

**Mr. John Yakabuski:** We would like a recorded vote.

**The Chair (Mr. Grant Crack):** It's a little bit too late.

**Mr. John Yakabuski:** Oh, come on now.

**The Chair (Mr. Grant Crack):** Everybody's hands are up, Mr. Yakabuski. I would have gladly, as you well know, respectfully entertained it, but when all the hands are up, I've already asked.

**Mr. John Yakabuski:** Okay.

**The Chair (Mr. Grant Crack):** Those in favour? Those opposed?

**Mr. John Yakabuski:** Oh, my God. I was—okay. Let me just send a message to the corner office. Thank you very much for using common sense—

**The Chair (Mr. Grant Crack):** Order, please.

Those opposed? There are none, so I declare PC motion number 6 carried.

**Mr. John Yakabuski:** We may have to call for a recess to get my heart back into shape here.

**The Chair (Mr. Grant Crack):** You are entitled to a recess.

We have one amendment to section 4. Is there any further discussion on section 4, as amended?

There being none, shall section 4, as amended, carry? Those in favour?

**Mr. Ralph Armstrong:** Sir, may I speak?

**Interjection:** You're out of order.

**The Chair (Mr. Grant Crack):** I apologize. We're in the middle of a vote—

**Mr. Bob Delaney:** Chair, is there a point that legislative counsel needed to make?

**The Chair (Mr. Grant Crack):** We're in the middle of a vote, so we need to respect that particular process. If there is a request—

**Mr. John Yakabuski:** Well, could we agree to—

**The Chair (Mr. Grant Crack):** I'm in the middle of a vote. Unfortunately, the Chair has to make a ruling. So we will allow for the vote to carry, and then if there's a request after, then I will entertain that.

**Mr. John Yakabuski:** It might be too late.

**The Chair (Mr. Grant Crack):** So shall section 4, as amended, carry? I had asked for those in favour, and there were hands up. Any opposed? I declare section 4, as amended, carried.

**Mr. Mike Colle:** Point of order.

**The Chair (Mr. Grant Crack):** Point of order, Mr. Colle.

**Mr. Mike Colle:** Could we hear from the distinguished legislative counsel, Mr. Ralph Armstrong?

**Mr. John Yakabuski:** Only if it's not already too late.

**The Chair (Mr. Grant Crack):** There has been a request, and I'm sure the committee would understand the fact that I would have certainly entertained that, but once you're in the middle of a vote, it's not feasible.

Mr. Armstrong, legislative counsel.

**Mr. Ralph Armstrong:** It's carried now, but the committee voted against subsection 4(1) of section 4. Subsection 4(2) is only a transitional provision about 4(1). So it would have made logical sense, having struck down 4(1) to vote section 4 down in its entirety, so there would no longer be a section 4. We now have a reference to a subsection that the committee's voted against.

**Mr. Mike Colle:** Do you want to explain that in English, please?

**Mr. Ralph Armstrong:** I'm sorry. If I may proceed.

**The Chair (Mr. Grant Crack):** Yes.

**Mr. Ralph Armstrong:** The committee voted for the motion to strike out subsection 4(1) of the bill.

**Mr. John Yakabuski:** That was motion 6, was it?

**Mr. Ralph Armstrong:** Yes.

**The Chair (Mr. Grant Crack):** Yes.

**Mr. Ralph Armstrong:** That leaves what was subsection 4(2) of the bill: 4(2) is only there to deal with the consequences of passing 4(1). So if section 4, as amended, carries, as the committee has voted, there's now a section that is only about dealing with a provision—

**Mr. John Yakabuski:** —that has already been voted out.

**Mr. Ralph Armstrong:** Yes. So I would have asked the committee's indulgence just to vote down section 4 in its entirety.

**Mr. Bob Delaney:** Chair?

**The Chair (Mr. Grant Crack):** Yes, Mr. Delaney, on a point of order.

**Mr. Bob Delaney:** May I ask for unanimous consent to reopen consideration of section 4?

**The Chair (Mr. Grant Crack):** That is possible. Mr. Delaney has requested unanimous consent to reopen section 4, which was amended. Do we have unanimous consent?

**Mr. John Yakabuski:** Yes, but then we might have some questions for Mr. Armstrong.

**The Chair (Mr. Grant Crack):** If there is none opposed, then we shall reopen section 4, which was amended.

**Mr. John Yakabuski:** Okay.

**Mr. Mike Colle:** Agreed.

**Mr. Bob Delaney:** Wait a minute, now. Would the counsel, as we consider section 4, as amended, please lay out for the committee the options, given his observations of a few moments ago?

**Mr. Ralph Armstrong:** I would suggest—and I turn to the procedural Clerk to make sure I'm right, that if the committee would see its way clear to voting against section 4, as amended, that would mean that all of section 4 disappears. This bill would go back to the House with section 4 removed in its entirety. That way, it would not leave the logical problem of having only 4(2), which is only there, as I said, to grandfather 4(1).

Voting against the section, as amended, doesn't resurrect 4(1); it would simply have the effect—and the Clerk is nodding—that section 4 would be gone in its entirety, and this provision would be gone in its entirety.

Yes, sir—oh, sorry, Chair.

**The Chair (Mr. Grant Crack):** Mr. Yakabuski.

**Mr. John Yakabuski:** Just to clarify, it would not have any effect on the legislation having been changed to reflect our amendment, which was carried.

**Mr. Ralph Armstrong:** It would have the effect of the provision—

**Mr. John Yakabuski:** Going back to the—

**Mr. Ralph Armstrong:** It would not go back. Section 4 would be gone. It would not resurrect the subsection that you—

**Mr. John Yakabuski:** —which brought it to the 20 days.

**Mr. Ralph Armstrong:** Yes. This is a result of the success of your motion, sir.

**Mr. John Yakabuski:** Yes. The 10-day period would then exist.

**Mr. Bob Delaney:** You get what you asked for.

**Mr. John Yakabuski:** Yes. I just want to clarify that, to the legislative counsel.

**Mr. Ralph Armstrong:** I'm here to serve the committee—

**Mr. John Yakabuski:** You see, his name says "counsel." Yours just says "parliamentary assistant." I trust him.

*Interjections.*

**The Chair (Mr. Grant Crack):** Okay, order, please.

All members of the committee, further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** Just clarity, then, on the vote: The vote will be again on motion 6, and then a vote on 4 as a whole?

**The Chair (Mr. Grant Crack):** No. I had previously asked for a vote on section 4, as amended—shall it carry? It carried. There has been a request to reopen the entire section, which we've just had discussion on. I would now call, once again, because there has been a successful amendment: Shall section 4, as amended, carry? And then it's up to the privilege of the committee to make a decision on that.

**Mr. John Yakabuski:** So, just to clarify, we would then vote against that.

**Mr. Ralph Armstrong:** Yes. I would ask the committee's indulgence: When the call is made—"Shall section 4, as amended, carry?"—for no one to say yes and everyone to say no. It is, of course, the committee's decision, but I've explained the reasoning behind what I'm saying.

**Mr. John Yakabuski:** And would it amount to the same effect of what we've asked for?

**Mr. Ralph Armstrong:** It would actually increase what you've asked for, because if that isn't done, there'll be a reference in the act to the provision that you voted against that you won't have with this.

**Mr. John Yakabuski:** Right. Okay.

**The Chair (Mr. Grant Crack):** Mr. McDonell.

**Mr. Jim McDonell:** Is this kind of equivalent to saying it's out of order, basically?

**The Chair (Mr. Grant Crack):** I wouldn't say that it's out of order. The committee has the privilege to do whatever they like, but—

**Mr. Jim McDonell:** No, no. I'm just wondering because of previous—I've seen it where once an amendment went in, the next one was out of order, or something.

**Mr. Bob Delaney:** It would be more accurate, Jim, to say that the other clause is in fact stranded. It sits there without reference to anything.

**Mr. Jim McDonell:** Okay.

**The Chair (Mr. Grant Crack):** Any further discussion?

**Mr. John Yakabuski:** It's sort of like half the stuff you guys do on that side of the House.

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

**Mr. John Yakabuski:** Oh, I'm sorry. I thought my mike was off.

1430

**The Chair (Mr. Grant Crack):** Members of the committee had requested unanimous consent to reopen a section that had already been voted on. The section is now reopened, you've had discussion, so I shall call another vote following the discussion. Shall section 4, as amended, carry? Those in favour? Those opposed? I declare section 4, as amended, not carried, which is defeated.

That was quite interesting, members of the committee. Thank you for that experience.

We shall move to section 5. There is NDP amendment 7.

**Mr. Peter Tabuns:** I withdraw, Chair. Because earlier motions weren't passed, it's now redundant.

**The Chair (Mr. Grant Crack):** NDP motion 7 is withdrawn.

There are no amendments to section 5. Any discussion on section 5 in its entirety? There being none, shall section 5 carry? Those in favour? Those opposed? I declare section 5 carried.

We shall move to section 6. There is a PC motion number 8, which is an amendment to section 6, on section 17 of the Energy Consumer Protection Act, 2010. Mr. Yakabuski.

**Mr. John Yakabuski:** I am noting that the only amendment that was approved by the minions of the government was one that Mr. McDonell read, so this may be the last one I read. We'll see.

I move that section 6 of the bill be struck out and the following substituted:

"6. Subsection 17(1) of the act is amended by striking out the portion before paragraph 1 and substituting the following:

"Exception to s. 15(4)

"(1) Despite subsection 15(4), a person may verify a contract under subsection 15(2) as soon as it is delivered or provided to the consumer in accordance with section 13 but must still verify it no later than the 60th day following the day it was provided or delivered if the contract is one of the following:"

**The Chair (Mr. Grant Crack):** Any further discussion? Mr. Delaney.

**Mr. Bob Delaney:** Chair, the government is going to oppose this one. The Ontario Energy Board basically recommended that the cooling-off period be extended to 20 days. I'm a little puzzled as to where this other number came from.

**The Chair (Mr. Grant Crack):** Any further discussion? Mr. Yakabuski.

**Mr. John Yakabuski:** This allows for the immediate verification of a contract if that's the choice of the consumer, but it also does allow them to cancel the contract within 60 days of receiving their first bill, meaning they're still protected.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote—

**Mr. John Yakabuski:** Recorded vote.

**The Chair (Mr. Grant Crack):**—on PC motion 8. There has been a request for a recorded vote.

#### Ayes

McDonell, Tabuns, Yakabuski.

#### Nays

Colle, Delaney, Dickson, Hoggarth, Kiwala.

**The Chair (Mr. Grant Crack):** I declare PC motion 8 defeated.



There are no amendments to section 6. Any further discussion on section 6 in its entirety? I shall call the vote on—

*Interjections.*

**The Chair (Mr. Grant Crack):** I'm just allowing a few seconds to ensure that everyone is up to speed.

**Mr. John Yakabuski:** Okay, very good. We're ready for a vote. Recorded.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote. Shall section 6 carry?

### Ayes

Colle, Delaney, Dickson, Hoggarth, Kiwala, Tabuns.

### Nays

McDonell, Yakabuski.

**The Chair (Mr. Grant Crack):** I declare section 6 carried.

We shall move to section 7. There is an—

**Mr. Bob Delaney:** I want to hear you say that section 6 succeeds.

**The Chair (Mr. Grant Crack):** No. Section 7: There's an NDP motion, number 9, which is an amendment to section 7, on subsection 19(1) of the Energy Consumer Protection Act, 2010. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 7 of the bill be amended by striking out "until 20 days after" at the end and substituting "until 30 days after".

Our suggestion is that the customers who may, by mishap, sign these contracts have a longer time in which to opt out.

**The Chair (Mr. Grant Crack):** Any further discussion? Mr. Delaney.

**Mr. Bob Delaney:** Chair, I think the proposals in the bill are even stronger. Under the proposed amendments in Bill 112, in regulatory proposal, consumers will have an extended period where no cancellation fees can be charged, and that's 30 days following two complete billing cycles; in other words, 90 days.

**The Chair (Mr. Grant Crack):** Any further discussion?

**Mr. Peter Tabuns:** So you're voting against your section here?

**Mr. Bob Delaney:** I'm voting for what's in here.

**The Chair (Mr. Grant Crack):** There being no further discussion—

**Mr. Peter Tabuns:** I'd like a recorded vote.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote on NDP motion number 9.

### Ayes

Tabuns.

### Nays

Colle, Delaney, Dickson, Hoggarth, Kiwala, McDonell, Yakabuski.

**Mr. John Yakabuski:** How long do we have to hold our arms up? Till I get tired or—

**The Chair (Mr. Grant Crack):** I declare NDP motion number 9 defeated.

Just a reminder to committee members: If you wish to express an interest in the voting process, make sure that you provide the Clerk ample time to view your position.

**Mr. John Yakabuski:** Absolutely. I apologize for my cheekiness.

**The Chair (Mr. Grant Crack):** Apology accepted.

We shall move to NDP motion number 10, which is an amendment to add a new subsection 2 to subsection 19(3.1) of the Energy Consumer Protection Act, 2010. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 7 of the bill be amended by adding the following subsection:

"(2) Section 19 of the act is amended by adding the following subsection:

""Same, fixed rate contracts

""(3.1) A consumer may, on 30 days' notice, cancel a contract for the provision of electricity or gas in the consumer's home at a fixed rate that was entered into on or after the day subsection 7(2) of the Strengthening Consumer Protection and Electricity System Oversight Act, 2015, comes into force and, for the purpose, the provisions of this act (other than section 20) and of the regulations that apply in respect of a cancellation under subsection (2) apply to a cancellation under this subsection.""

Effectively, Chair, this allows people to cancel fixed-rate electricity or gas contracts that they sign from the date this act comes into force, without any limitation. It further strengthens the hand of consumers who may have been, in some way, pressured into or misled into signing a contract with these companies.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Delaney.

**Mr. Bob Delaney:** Chair, the government has not gone so far as to allow cancellation at any time without notice. In fact, rules for cancellation fees are established in regulation rather than the legislation, for the same reason as discussed earlier. If circumstances change, you want to be able to amend them in regulation fairly quickly.

The government posted on the regulatory registry a proposal to reduce cancellation fees, as prescribed in regulation, and also to increase the cancellation period with no cancellation fees to 30 days following receipt of the second bill for both electricity and natural gas, as prescribed in regulation.

As I discussed earlier, what this means is that consumers will have an extended period where no cancellation fees can be charged, which is 30 days following two complete billing cycles; i.e. 30 plus 30 plus 30 equals 90.

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

**Mr. Peter Tabuns:** I understand the government's rationale. I think it's continuing to defend a system that doesn't work for Ontarians and one that has to be let go of.

This strengthens the hand of consumers far beyond what the government has proposed. I would like a recorded vote when we get to this.

**The Chair (Mr. Grant Crack):** Is there any further discussion? There being none, I shall call for the vote. There has been a request for a recorded vote.

### Ayes

Tabuns.

### Nays

Colle, Delaney, Dickson, Hoggarth, Kiwala, McDonnell, Yakabuski.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 10—

*Interjection.*

**The Chair (Mr. Grant Crack):** That arm sure goes high up into the air.

So NDP motion number 10 is defeated.

There are no amendments to section 7. Any further discussion on section 7 in its entirety? There being none—Mr. Delaney?

**Mr. Bob Delaney:** Chair, can we have about a three-minute recess before the vote?

**The Chair (Mr. Grant Crack):** Mr. Delaney has requested a three-minute recess prior to the vote. There has been an increase—

*Interjections.*

**The Chair (Mr. Grant Crack):** Prior to any vote, of course, there is the opportunity for a recess. There has been a request for three minutes; it has been up to five. Is the bidding process going to continue?

We have a request for a five-minute recess. Do we have unanimous consent? Yes? A five-minute recess, effective immediately.

*The committee recessed from 1441 to 1446.*

**The Chair (Mr. Grant Crack):** The five minutes' recess has finished.

We were dealing with section 7 in its entirety. There was no further discussion, so I shall call for—

*Interjection.*

**The Chair (Mr. Grant Crack):** Okay. Because there was unanimous consent for a recess, is there any further discussion on section 7? There being none, shall section 7 carry? Those in favour? Those opposed? Okay, that's clear. Section 7 is defeated. Lost.

We shall move to section 8. There is a PC motion number 11.

**Mr. John Yakabuski:** So the Liberals are voting against their own bill. You've got to get this straightened out here.

**The Chair (Mr. Grant Crack):** Order, please. The Chair—

**Mr. Bob Delaney:** I guess the corner office is going to be really mad at me, Yak.

**The Chair (Mr. Grant Crack):** Okay. We're dealing with PC motion number 11, members of the committee, on subsection 8(2). It's an amendment to subsection 35(3) of the Energy Consumer Protection Act, 2010. Mr. McDonnell, please read in PC motion 11.

**Mr. Jim McDonnell:** I move that subsection 8(2) of the bill be struck out and the following substituted—

**Mr. John Yakabuski:** No, no. We're withdrawing that amendment.

**Mr. Jim McDonnell:** We're withdrawing it? Okay; withdraw.

**Mr. Peter Tabuns:** Number 11 is withdrawn?

**Mr. John Yakabuski:** Because of the failure of the government to recognize our previous amendments, this amendment is redundant.

**The Chair (Mr. Grant Crack):** So PC motion 11 has been withdrawn.

We shall move to PC motion number 12—

**Mr. John Yakabuski:** Withdrawn.

**The Chair (Mr. Grant Crack):** —which has also been withdrawn.

**Mr. John Yakabuski:** Same reasoning, Chair: The intransigence of the Liberals has caused us to withdraw it.

**The Chair (Mr. Grant Crack):** So we shall move to NDP motion number 13.

**Mr. Peter Tabuns:** It's withdrawn.

**The Chair (Mr. Grant Crack):** Mr. Tabuns has withdrawn NDP motion number 13.

We shall move to PC motion number 14.

**Mr. John Yakabuski:** Withdrawn.

**The Chair (Mr. Grant Crack):** Mr. Yakabuski has withdrawn PC motion number 14.

We shall deal with section 8 in its entirety. Any discussion on section 8? There being none, I shall call for the vote. Shall section 8 carry? I declare section 8 carried.

We shall move to section 9. There are no amendments. Any discussion on section 9 in its entirety? There being none, shall section 9 carry? I declare section 9 carried.

We will move to section 10, which is an NDP motion number 15, which amends section 10 by adding a new subsection, 4.4.1(3), to the Ontario Energy Board Act, 1998. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 4.4.1 of the Ontario Energy Board Act, 1998, as set out in section 10 of the bill, be amended by adding the following subsection:

“Processes under section 4.4

“(3) A process established under this section may supplement but shall not replace any process or part of a process established under section 4.4 with respect to consumers that is in force on the day section 10 of the Strengthening Consumer Protection and Electricity System Oversight Act, 2015 comes into force.”

Chair, this is a very substantial section in this act. Effectively, what we've had in the province of Ontario in the past is the ability for independent intervenors to come, challenge witnesses, challenge evidence before the OEB, and recover their costs from the OEB. It is not a process that is flawless, but it is one that allows for independence and rigorous cross-examination.

I'm very worried and my party is very worried that the section as written will allow the board and the government to eliminate independent intervenors and put in place someone who is paid by and responsible to the OEB to act as a consumer advocate. The board may do that; the government may do that. But it is critical that independent intervention is protected. Certainly those in the wider world who are being made aware of this potential elimination of independent intervention are extraordinarily troubled. So I urge the government to incorporate this amendment into this act.

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

**Mr. Bob Delaney:** I think, Chair, we may have a disagreement on the interpretation of various intervenor processes. The proposed motion would allow for new processes to be established for consumer advocacy but would prevent any new processes from replacing any existing processes for consumer advocacy established before the proposed amendments come into force. Let me just expand on that because that sounds like a bit of a mouthful.

The government does recommend voting against this motion because the proposed section 4.4.1 does not seek to replace existing consumer advocacy processes at the Ontario Energy Board. It's intended to serve a narrower purpose and require that the board establish processes by which the interests of consumers can be represented in proceedings before the board.

The current section 4.4 is broader and requires that the board establish processes by which all those with an interest in the electricity industry, including not only consumers but also distributors, generators and so on, may provide advice and recommendations.

Chair, it's our opinion that this proposal is unnecessarily restrictive to prescribe in legislation that any existing consumer advocacy processes should exist in perpetuity. Though this may not be what the member intends, it is in fact what would arise. The Ontario Energy Board is currently reviewing its intervenor processes in order to ensure that consumers are being adequately represented in OEB proceedings. So the long and the short of it is that we believe that the measures proposed in this bill actually say yes to the member better than the proposal that he has put forward.

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

**Mr. Peter Tabuns:** Just to note first of all, I'll want a recorded vote.

I don't get any comfort from the member's statement. We will find out whether that is true or not. I've been watching the votes closely today. I have doubts that I will

get a majority, but I will say that action that cuts out independent intervenors will be met with great hostility on the part of those who are trying to come to grips with the problem of high and rising rates in Ontario. Should this member's statement be incorrect in understanding the cabinet's direction on this, it will be a huge disservice to the people of Ontario.

There may or may not be redundancy in the motion that I've put forward, but protection of an intervenor system, a system that allows independent bodies to come, question witnesses, test evidence and make arguments before a tribunal is critical. The member referred to the potential that this would—what would I say?—last in perpetuity. I have no idea whether it will last in perpetuity; laws get amended all the time. But at least at this point, we need to ensure that independent intervention is protected and is part of our process in reviewing rates in this province.

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

**Mr. Bob Delaney:** I take the member's points. Just in concluding, I would like to say that the proposed amendments enhance processes by which consumers may be represented in board processes, including through advocacy or other modes of representation, to give consumers a stronger voice in OEB hearings and proceedings. In summary, the bill is trying to do what the member has asked.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, there has been a request for a recorded vote. I shall call for the vote.

#### Ayes

Tabuns.

#### Nays

Colle, Delaney, Hoggarth, Kiwala.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 15 defeated.

We shall move to section 10 in its entirety. There are no amendments.

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote on section 10. I shall call for the vote.

#### Ayes

Colle, Delaney, Hoggarth, Kiwala.

#### Nays

Tabuns.

**The Chair (Mr. Grant Crack):** I declare section 10 carried.

We shall move to section 11, which is NDP motion number 16, which is an amendment to section 11. It's a new clause (d), subsection 58.1(2), Ontario Energy Board Act, 1998. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 58.1(2) of the Ontario Energy Board Act, 1998, as set out in section 11 of the bill, be amended by striking out “and” at the end of clause (b), by adding “and” at the end of clause (c) and by adding the following clause:

“(d) 98 per cent of the employees of the distributor and of its subsidiaries who perform functions relating to the ordinary course of business, such as general administration, information technology services, data management, records storage, billing and accounting, and customer service, perform those functions at that principal executive office or elsewhere in Ontario and are resident in Ontario.”

Chair, if I may speak to this?

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

**Mr. Peter Tabuns:** The government is engaged in privatizing Hydro One. It has been known for close to a decade now that the leadership of Hydro One has been interested in contracting out—not just contracting out, but offshoring—significant parts of Hydro One's operations. The definition that the government uses for “maintained in Ontario” would have applied very well to Hollinger, which was a very large press operation operating out of Toronto Street a number of years ago, but it is not exactly something that describes the work done by thousands of employees in back-office and day-to-day administration.

I would say that the definition of “Head office of distributor in Ontario” put forward by the government would allow very large-scale offshoring and I think would be a detriment to our economy and certainly a detriment to the morale of people who are trying to run our electricity system.

Keeping some parts of head office functions in Ontario is not a bad idea, but leaving all the rest vulnerable to offshoring is an extraordinarily bad idea. For that reason, we've put forward this amendment.

Sorry, last point: I would like a recorded vote.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Tabuns. Further discussion? Mr. Delaney.

**Mr. Bob Delaney:** Chair, the government won't be supporting this particular amendment. The proposed amendment, as currently drafted, would ensure that key personnel and records are in Ontario. The proposed amendment is the same as subsections 48.1(2) and (3) of the Electricity Act, 1998, which require that Hydro One maintain its head office in Ontario. If this proposed motion were to pass, Hydro One would be subject to different head office requirements under the OEB Act as a licensed distributor than it would be under the Electricity Act.

It's not at all clear where the 98% figure came from or indeed how it would be enforced. It would place burdensome—indeed, onerous; probably impossible—requirements on all distributors to provide detailed

personal information about all of their employees to the board.

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**The Chair (Mr. Grant Crack):** Thank you, Mr. Delaney. Further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** I would just say, Chair, that since 1998 there have been very substantial—what can I say?—changes or advances in information technology that have allowed substantial offshoring of clerical, technical and managerial work. Certainly we've seen difficulties for companies that have seen functions offshored to India and China. I would say that the majority of people in Ontario find this prospect one that's very troubling, one that limits the career options for Ontarians. Requiring that the head office of Ontario distribution companies remain in Ontario, complete with all their functions, is a goal that I think is very defensible. Frankly, you've got 13-million-plus people in Ontario. Certainly one can find the workforce needed to do the work that has to be done here. In fact, if you start offshoring a lot of the work, you'll find a lot of unemployed Ontarians. So I would say that the government should be far more prescriptive and should in fact support this amendment.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Tabuns. Any further discussion?

**Mr. Peter Tabuns:** No. Recorded vote.

**The Chair (Mr. Grant Crack):** There being none, there has been a request for a recorded vote on NDP motion number 16.

#### Ayes

Tabuns.

#### Nays

Colle, Delaney, Hoggarth, Kiwala.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 16 defeated.

Section 11: There were no amendments. Any final discussion on section 11? There being none, shall section 11 carry? Carried.

Section 12: Any further discussion? Ms. Hoggarth.

**Ms. Ann Hoggarth:** Is there a chance that we could bundle these ones?

**The Chair (Mr. Grant Crack):** There are only two of them, so it'll take as much time for me to get unanimous consent to bundle the two—

**Ms. Ann Hoggarth:** I'm sort of asking about down the page, too.

**The Chair (Mr. Grant Crack):** If you want to request, on section 15, to bundle 15, 16, 17 and 18, I'd be more than happy to entertain that. That would be a decision of the committee, though.

**Ms. Ann Hoggarth:** I think that would be wonderful.

**The Chair (Mr. Grant Crack):** Okay, thank you. We're dealing with section 12 now. There are no

amendments. There's no further discussion, from what I understand. Shall section 12 carry? Carried.

We shall move to section 13. Any discussion? Shall section 13 carry? Carried. Section 13 is carried.

We shall move to NDP motion number 17, which is an amendment to subsection 14(2), on subsection 70(14) of the Ontario Energy Board Act, 1998. Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you, Chair. I move that subsection 14(2) of the bill, amending subsection 70(14) of the Ontario Energy Board Act, 1998, be struck out.

We've addressed this issue in the course of hearings before the committee. There were a variety of speakers who are very concerned that the existing structure, that requires utilities to set up affiliates to carry on unregulated or non-regulated business, would be lost. Certainly I think the argument that was made before us, that the mixing of regulated and unregulated business would allow a fair amount of gaming and the potential for unfair burdens to be put on ratepayers, was a reasonable argument.

I would say that the government should be supporting this amendment and should not be ending the practice of requiring that utilities set up affiliates if they're going to engage in unregulated business. And, sorry, I'd like a recorded vote when we get there.

**The Chair (Mr. Grant Crack):** Thank you very much. Any further discussion? Mr. Delaney.

**Mr. Bob Delaney:** Thank you, Chair. I actually spent a little bit of time looking into this particular section. The government is going to recommend voting against this motion, for a few reasons. Section 73 of the OEB Act currently limits the types of activities that affiliates of municipally owned distributors can carry on, but it doesn't place similar restrictions on affiliates of distributors that are not municipally owned.

The proposed repeal of section 73 would remove restrictions on the business activities of affiliates of municipal local distribution companies. The proposed repeal of section 73 would put the affiliates of municipally owned local distribution companies on an equal footing with Hydro One and privately owned local distribution companies, clarifying their ability to expand their businesses and participate in the many innovations occurring in the electricity sector.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Delaney. Any further discussion? There being none, there has been a request for a recorded vote on NDP motion number 17.

#### Ayes

Tabuns.

#### Nays

Colle, Delaney, Dickson, Hoggarth, Kiwala, McDonell, Yakabuski.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 17 defeated.

There are no amendments to section 14. Any discussion on section 14? There being none, I shall call for the vote. Shall section 14 carry? Those opposed? I declare section 14 carried.

There has been a request to bundle sections 15, 16, 17 and 18.

**Mr. John Yakabuski:** No.

**Mr. Peter Tabuns:** No.

**The Chair (Mr. Grant Crack):** I hear a no. Then we shall deal with section 15. There are no amendments. Any discussion? There being none, I shall call for the vote. Shall section 15 carry? I declare section 15 carried.

We shall move to section 16. Any discussion on section 16? Mr. Tabuns.

**Mr. Peter Tabuns:** Yes. Chair, again, I'm concerned about the commingling of regulated and unregulated business in one firm. I think that it will be difficult enough in the new privatized world of Ontario's electricity system to properly and adequately regulate those activities. I think the commingling will make it far more difficult for a regulator to be effective, and I urge people to vote against section 16.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Delaney.

**Mr. Bob Delaney:** Chair, I believe the government's case has been stated in our response to the last proposed amendment.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Delaney. Any further discussion?

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote. There being no discussion, I shall call the vote. Shall section 16 carry?

#### Ayes

Colle, Delaney, Hoggarth, Kiwala.

#### Nays

Tabuns.

**The Chair (Mr. Grant Crack):** I declare section 16 carried.

We shall move to section 17. Any further discussion on section 17? There being none, I shall call for the vote. Shall section 17 carry? I declare section 17 carried.

We shall move to section 18. Is there any discussion with regard to section 18? Mr. Tabuns.

**Mr. Peter Tabuns:** Well, no; I have an amendment coming up. I'll deal with it in the amendment.

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

**Mr. John Yakabuski:** There's an amendment?

**The Chair (Mr. Grant Crack):** It's adding a new section. That is after the actual section.

There's no further discussion—

**Mr. Peter Tabuns:** Sorry, on 18?

**Mr. Grant Crack:** On 18.

**Mr. Peter Tabuns:** No, sorry, just one second. No, I do have discussion on 18. We have—

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

**Mr. Peter Tabuns:** Section 18 of the bill, Chair, allows the Lieutenant Governor in Council—effectively, the cabinet—to declare that any particular transmission line is going to be a priority and that there will be no review at the OEB as to the necessity for that line, whether it's justified for the system as a whole. The OEB will only be able to actually review expenses and determine whether or not, within the framework the cabinet has set, those expenses were reasonable and prudent or not.

I would say that everything else in this bill has been relatively small in terms of its impact on the lives of Ontarians. This will have a very substantial impact. I'll note, first of all, that the OEB was not given the responsibility for assessing the smart meter system when it came forward. This province spent \$2 billion on smart meters, for negligible savings, in terms of reduction of peak demand in Ontario—about 204 megawatts at the peak in winter.

We spent an extraordinary amount of money on a project that didn't actually go through an OEB hearing. There was no opportunity to test the evidence, to question the planners or the proponents. Frankly, Chair, if that had been the case, I think that there would have been the potential for a very different decision about whether or not we went ahead with smart meters.

**1510**

I would say that, with regard to transmission lines, if you remember the story that recently came out from CTV about the Niagara reinforcement line, the \$100-million transmission line to nowhere, the OEB actually had questions about that line, substantial questions. The government went ahead and had it built anyway. We're now paying \$5 million a year in interest on a line that is simply sitting there in the field, no power going through it.

That's bad enough. There is at least an opportunity at the OEB for people to question witnesses and for the regulators to question the proponents. That's over with this. This is part of an agenda that allows Hydro One, through its political advocates, to have cabinet direct the restructuring or redirection of the transmission system at great risk and peril to the people of Ontario. It opens the door to all kinds of hanky-panky behind closed doors. Frankly, we've seen with the Financial Accountability Officer that once it's a cabinet decision, even the officers of the Legislature can't ask for the background documents, can't see whether or not a decision that was made to spend hundreds of millions—perhaps billions—on transmission lines was justified in terms of the needs for the electricity system, justified in terms of Ontario's needs.

This allows the closure of the door on examination of major transmission projects. This is very dangerous for us as a province, very dangerous for the cost of electricity. It is reason enough to vote against the whole bill, if

this section is not deleted. So I urge members of the committee to delete this section in its entirety.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Tabuns. Further discussion?

**Mr. John Yakabuski:** Thank you, Chair—it's a weird setup we've got here. It's kind of awkward. Oh, there. Look, I fixed it. I'll get a technical award from Bob Delaney next week.

I share the concerns of my colleague from the NDP here, Mr. Tabuns. It just puts way too much power in the hands of the politicians and removes it from the independent advisory bodies, which should have some authority—in this government, they've become nothing but advisory bodies. The Niagara-Caledonia line that he's talking about there, it's nothing but a bunch of towers. But I'm sure the Liberals probably sent out a press release somewhere saying that no one has accidentally been electrocuted while climbing those towers because then, of course, later in the press release, they find out that there's no power running to them.

But \$100 million to build it and \$50 million, I think, in interest?

**Mr. Peter Tabuns:** Five million bucks a year for 10 years.

**Mr. John Yakabuski:** Five million bucks a year for 10 years, \$50 million in interest. And as Mr. Tabuns said, the OEB raised serious concerns about whether that line was necessary and that it was going to be wrought with problems should they go ahead.

Their predictions have come true. Have the Liberals been chastised or have they apologized for this waste of our resources? But now, if this section is not taken out, we're almost ensuring—try to stay awake, Joe; this is important—that we're going to have more of these things happening here in the province of Ontario.

I remember Bill 100, when the government said they were going to depoliticize the electricity system. How has that worked out, eh, Peter? It's more political than ever, and we're going to have even more of it in Bill 135. Every time you turn around, it is putting more and more power in the hands of this cabinet and these elected people who have driven us into the ground, and taking it away from the independent bodies that are supposed to be there to protect it.

I wholeheartedly support Mr. Tabuns here in opposing this section of the bill.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion? Mr. Delaney.

**Mr. Bob Delaney:** Chair, are we now proceeding to vote on whether or not to carry section 18?

**The Chair (Mr. Grant Crack):** That's the discussion, yes.

**Mr. Bob Delaney:** Okay. Just before we move to the vote, Chair, the reason the line hasn't moved forward is due to the former federal government not being willing to work with First Nations regarding the land claims issue. That's it.

Chair, we request that you call the question now.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** I wasn't going to say this, but I think that that issue has already been fought in court. The land claim has been settled, but this government has not moved on.

My concern, really, is about the latest issue with the financial officer, where they wouldn't release documents because of their cabinet security or whatever. We see this in last year's budget, where power from our independent officers has been removed. Power in this province has gotten to such a state—I know, unfortunately for this government, that since I've been here, every report on the electricity sector has been extremely embarrassing for the government, and it should be, because it's a mess. So their answer, instead of fixing the mess, is to make sure that we don't get information on it. That's no way to run a democracy. People deserve to know what's going on, good decisions as well as bad decisions. Unfortunately, all we're hearing is the government speak. They can make a bad decision sound great, and if there's no ability for people to find out what's going on, we'll be stuck with the propaganda that we're getting from this government.

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

**Mr. Peter Tabuns:** Chair, I note that amendment 18 hasn't been debated, so I may have jumped the gun on debate about the section as a whole.

**The Chair (Mr. Grant Crack):** Okay.

**Mr. John Yakabuski:** Well, we were wondering about that, too, but we're not the legal people here. We're not illegal either, we just—

**The Chair (Mr. Grant Crack):** We're discussing section 18 as a whole, right?

**Mr. Peter Tabuns:** Correct.

**The Chair (Mr. Grant Crack):** So perhaps we could focus the rest of our discussions on section 18 as it is.

**Mr. Peter Tabuns:** Okay, and then—

**The Chair (Mr. Grant Crack):** As I mentioned earlier, 18.1 is a new section, so that could very well be worthy of the processes of other discussion. However, we are on section 18. Any further discussion on section 18? There being none, I shall call for the vote.

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote. Shall section 18 carry?

### Ayes

Colle, Delaney, Dickson, Hoggarth, Kiwala.

### Nays

McDonell, Tabuns, Yakabuski.

**The Chair (Mr. Grant Crack):** I declare section 18 carried.

We shall move to PC motion 18. It's a new section 18.1, new section 96.2 of the Ontario Energy Board Act, 1998. Mr. McDonell.

**Mr. Jim McDonell:** I move that the bill be amended by adding the following section:

“18.1 The act is amended by adding the following section:

““Hydro One Inc. disclosure

““96.2 If Hydro One Inc. does not bid on a procurement contract for the construction of an electricity transmission line that has been declared to be needed as a priority project under section 96.1, it shall publish its reasons for not making a bid on its website.””

**The Chair (Mr. Grant Crack):** Before we move forward, I just want to consult with the Clerk for a second.

*Interjection.*

**The Chair (Mr. Grant Crack):** Okay, so PC motion number 18: I'm going to rule that it's out of order, the reasons being that this particular bill has several purposes, and amendments directed to objects not specifically covered in this bill but are broadly germane to its subject matter may be found to be within the scope, but the amendment at hand introduces a provision that is not contemplated in the bill. Although the bill does have several purposes, I'm not satisfied that the amendment is relevant to the parameters of the bill, and I find that it is beyond the scope of the bill.

As I said earlier, I therefore call it out of order.

**Mr. John Yakabuski:** We thank you for your ruling, Chair.

1520

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

We'll move to section 19. Is there any discussion on section 19? There being none, shall section 19 carry? I declare section 19 carried.

Section 20: Any discussion? There being none, shall section 20 carry? I declare section 20 carried.

Section 21: Any discussion? There being none, shall section 21 carry? Section 21 is carried.

Section 22: Any discussion? There being none, shall section 22 carry? I declare section 22 carried.

Section 23: Any discussion? There being none, shall section 23 carry? I declare section 23 carried.

Short title, section 24: Any discussion? There being none, shall section 24 carry? I declare section 24 carried.

Title of the bill: Any discussion? There being none, shall the title of the bill carry? I declare the title of the bill carried.

Shall Bill 112, as amended, carry? Mr. Tabuns, discussion.

**Mr. Peter Tabuns:** Chair, the removal of the decision-making about major transmission lines is a huge shift away from openness in the system—not that it's as open as it should be, but it's a very substantial withdrawal of information from the public realm. I don't think this act should pass, and I think, before you call that vote, that it needs to be a recorded vote.

**The Chair (Mr. Grant Crack):** Any further discussion on “Shall Bill 112, as amended, carry?” Mr. Yakabuski.

**Mr. John Yakabuski:** I certainly share Mr. Tabuns’s objections. I don’t know that we would hold up the legislation at this point, but he has raised a very valid point and the government seems to be uninterested in listening to that objection and that consideration in this bill.

I suspect they have their very good reasons for not listening to his suggestions, suggestions that we concurred with and added our own narrative to as well. I suspect their reasons are political, as they are so many times. That’s unfortunate, what’s happening in this electricity sector, that it has become more political than ever under this government.

They talk about consumer protection, and we recognize that there are some things in this bill that we all supported. I understand that it doesn’t go far enough to satisfy the members of the third party, but there are some things that we, as a unit, as a Legislature, were more than willing to support. But we have grave concerns, and he is absolutely right, about the, as he said, withdrawal—I would say maybe even more to the point of withholding—of vital information from consumers, residents, citizens and businesses in this province about what the government’s plans are and how that might affect, ultimately, the bottom line of their bill, which is of concern to everybody. So I do share some of those concerns that Mr. Tabuns has raised.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion? There being none, there has been a recorded vote request.

I shall call the vote. Shall Bill 112, as amended, carry?

#### Ayes

Colle, Delaney, Dickson, Hoggarth, Kiwala.

#### Nays

Tabuns.

**The Chair (Mr. Grant Crack):** I declare Bill 112, as amended, carried.

Shall I report the bill, as amended, to the House? Any discussion? No? I’ll call the vote now. Shall I report the bill, as amended, to the House? There was no request for a recorded vote, so it makes it a little more difficult to determine, but I declare that I shall report the bill, as amended, to the House. Carried.

I want to thank everyone. That ends our business for today. I look forward to seeing you all in the near future.

**Mr. John Yakabuski:** So we’re not meeting on Wednesday, then?

**The Chair (Mr. Grant Crack):** There will be no meeting at this time on Wednesday.

**Mr. John Yakabuski:** I’m going to miss you.

**The Chair (Mr. Grant Crack):** I will miss you, too, Mr. Yakabuski.

*The committee adjourned at 1525.*









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