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Thursday 13 May 2010

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Jeudi 13 mai 2010

**Standing Committee on
Finance and Economic Affairs**

Lowering Energy Costs
for Northern Ontarians Act, 2010

**Comité permanent des finances
et des affaires économiques**

Loi de 2010 sur la réduction
des coûts d'énergie
pour les Ontariens du Nord

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
Greffier : William Short

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Thursday 13 May 2010

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 13 mai 2010

The committee met at 1402 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. We're here for clause-by-clause consideration of Bill 44.

We'll start with the subcommittee report. Mr. Arthurs.

Mr. Wayne Arthurs: Your subcommittee met on Tuesday, May 11, 2010, to consider the method of proceeding on Bill 44, An Act to implement the Northern Ontario energy credit, and recommends the following:

(1) That, pursuant to the order of the House dated Monday, May 10, 2010, the Standing Committee on Finance and Economic Affairs be authorized to hold public hearings in Toronto on Thursday, May 13, 2010 from 8 a.m. to 10:15 a.m.

(2) That the committee clerk, in consultation with the Chair, post information regarding public hearings on the Ontario parliamentary channel and the committee's website.

(3) That interested parties who wish to be considered to make an oral presentation contact the committee clerk by 12 noon on Wednesday, May 12, 2010.

(4) That the committee clerk be directed to commence scheduling witnesses on a first-come, first-served basis.

(5) That if necessary, the members of the subcommittee prioritize the list of requests to appear that have not been scheduled by the deadline of 12 p.m. on Wednesday, May 12, 2010, and return their prioritized lists to the committee clerk by 1 p.m. on Wednesday, May 12, 2010.

(6) That witnesses be offered 10 minutes for their presentation, and that witnesses be scheduled in 15-minute intervals to allow for questions from committee members.

(7) That the deadline for written submissions be 12 p.m. on Wednesday, May 12, 2010.

(8) That, pursuant to the order of the House dated Monday, May 10, 2010, amendments to the bill be filed with the clerk of the committee by 12:30 p.m. on Thursday, May 13, 2010.

(9) That, pursuant to the order of the House dated Monday, May 10, 2010, the committee meet during its regular afternoon meeting time on Thursday, May 13, 2010, for clause-by-clause consideration of the bill.

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

The Chair (Mr. Pat Hoy): Thank you. Any comment? Mr. Miller.

Mr. Norm Miller: Yes. I would just like to say that—surprise, surprise—no one was at the public hearings. The time allocation motion under which this committee is operating for Bill 44 must set some sort of new record for speed at which the bill is passing through. I think this subcommittee met on Tuesday—I believe it was Tuesday; it's been a busy week—and people had all of a day to find out about the hearings and a day to make their submissions with little or no advertising other than our in-house advertising here at Queen's Park.

It's no surprise that we had nobody come before the committee to make public their feelings about the bill, even though there very well might be groups that would have something positive to contribute in terms of improving the quality of the bill. The process that we're in is supposed to be, in theory, that people come before the committee; they make their thoughts known, the committee takes some time to think about it and then makes some amendments to, hopefully, improve the bill.

So I would simply say, who knows what surprises there will be going forward that we haven't given due process to to be able to correct? I'm not quite sure why the government is in such a huge rush to get this bill through in what I would certainly call a process that is more for going through the motions—it's a flawed process. In time, the result of it will be that the implementation could be flawed, and unfortunately you find out about the mistakes as you're trying to implement them. What needs to happen then is more corrective action after the fact instead of taking the time to get it right the first time.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Barrett.

Mr. Toby Barrett: Yes. Further to that, and I know that the subcommittee did authorize public hearings, as far as communicating the opportunity, information has been put out on the Ontario parliamentary channel. I have a television set at my apartment in Toronto and I have a television set at my farm. I don't get the Ontario parliamentary channel; I cannot get it. I don't know to what

extent people in northern Ontario can get the Ontario parliamentary channel; perhaps if they live in a city. The committee's website—I have to admit that I didn't know this committee had a website. I don't know to what extent people in the province of Ontario are aware of our committee's website to get this information.

Just to follow up on Mr. Miller's comments, I just think it's unfortunate that we have not had anybody come forward. Perhaps there are written submissions that have come forward. I haven't seen any. I feel kind of out of the loop, but what I'm really concerned about is to what extent people in Atikokan or Thunder Bay would feel out of the loop.

I think of organizations that we, as parliamentarians, deal with, particularly at the municipal level across the north: NOMA, the Northwestern/eastern Ontario Municipal Association, and FONOM, the Federation of Northern Ontario Municipalities. There's a northeastern chamber of commerce group that Mr. Miller has mentioned—and the mayors, the large urban mayors. I would think that those groups—having met with them over the years—would have wanted to have some input.

In this committee alone, we fight every year to travel in northern Ontario, and groups come forward. We held hearings in Atikokan a number of years ago. I just regret the fact that an opportunity was missed and the fact that there seems to be no acknowledgement at all of the importance of citizen participation or community involvement in these kinds of deliberations. So I just wanted to follow up on Mr. Miller's comments.

Mr. Howard Hampton: I'll be brief: The so-called hearings are a farce.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour of the subcommittee report? Carried.

LOWERING ENERGY COSTS
FOR NORTHERN ONTARIANS ACT, 2010

LOI DE 2010 SUR LA RÉDUCTION
DES COÛTS D'ÉNERGIE
POUR LES ONTARIENS DU NORD

Consideration of Bill 44, An Act to implement the Northern Ontario energy credit / Projet de loi 44, Loi mettant en oeuvre le crédit pour les coûts d'énergie dans le Nord de l'Ontario.

The Chair (Mr. Pat Hoy): Now we go to each section. Are there any comments on the bill in general? Mr. Arthurs.

1410

Mr. Wayne Arthurs: Very briefly, the bill speaks to the establishment of the permanent northern Ontario energy credit. It was a piece of the 2010 budget. This will be, obviously, a strategy to offset some of the energy costs related to northern Ontario and an ongoing recognition of a couple of factors: that there is a specialness about northern Ontario and some of the challenges that are faced there. Some of those in this room at this point

in time would be more directly familiar with those, and some of us who don't necessarily represent northern ridings—but in a broad sense, there's the full recognition of that.

I think a strategy of this government over time is to provide support for those in communities who are more vulnerable, lower- or modest-income families—not to offset all of their costs, but to provide support in a number of sectors, certainly energy being an important part of that. This will provide a credit both for individuals and families on an ongoing and permanent basis.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Howard Hampton: I think it's pretty clear what this is about. There's an election campaign that some would say has already begun. This is one of those incentives that the government wants to offer voters before the election. I think the reason that they put "permanent" in the title of the energy credit is because people are already pretty clear that this is nothing but a pre-election incentive.

As a pre-election incentive, though, I think it's pretty clear that it comes nowhere near the added cost of the HST. The average hydro bill in northern Ontario is in excess of \$200 a month, \$2,400 a year; 8% of that is \$192. The average heating bill is in excess of \$200 a month. People who have to heat with oil are probably paying \$700 or \$800 a month. For people who have to heat with electricity—and a lot of homes, unfortunately, were built with electric heat, especially First Nations homes—the hydro bill in many cases is probably in excess of \$800 a month.

We'll take an average of \$200 a month, \$2,400 a year; it's another \$192 the HST is going to add on. Then, of course, there's the whole issue of gasoline at the pumps. It will add another \$256. Do a little bit of addition: \$640 is what people are going to be out of pocket, on average.

I would simply say that something that says, "We're going to offer up a pre-election \$200 to make it go down easier" isn't going to work very well. People will not turn it down, because people are going to be really hard-pressed to pay their bills at a time when probably half the working people in northern Ontario have lower incomes now than they had four or five years ago. The government is going to be taking more money than ever out of their pockets. A lot of people simply do not have the money. That is especially true of First Nations. They won't turn the credit down. But if people think for a minute that this is going to ease the burden, well, folks, I've got lots of muskeg in northern Ontario that's for sale.

The Chair (Mr. Pat Hoy): Mr. Barrett.

Mr. Toby Barrett: As the parliamentary assistant indicated, the intention to help offset energy charges. We know the Ontario Energy Board just approved a 10% increase, and Mr. Miller, our finance critic, has done a very good job at explaining this in the Legislature with respect to this legislation. We know that on July 1, the HST will be added on to electricity. Many people heat their homes with electricity. I heat my home with

electricity and I'm in the rural south. I cannot imagine what the bills are going to look like living somewhere north of Thunder Bay or many of those communities up there.

We have this other add-on tax, the so-called green tax, that's something like \$53.7 million. And we have not seen, obviously, any impact yet of the cost from cap-and-trade legislation. That's an unknown. If you can get some pulp and paper mills running again, to what extent you can run a pulp and paper mill in northern Ontario with solar panels or even wind turbines, say, on Lake Superior—I just don't know about the feasibility of that when I compare that to the two existing generating stations at both Atikokan and Thunder Bay, which will be shut down—will essentially become scrap metal. I understand that there was an attempt—actually, construction—to run natural gas into the Thunder Bay plant, and that initiative was aborted.

There are an awful lot of unknowns here. I don't know whether even in the north—we know there have been some tough times and a decline in demand for electricity. However, even with the tough times, I am concerned that, three years out, we're going to have a shortage of electricity in northern Ontario, the way things are going, especially when you think of the Thunder Bay and the Atikokan plants being shut down.

For that reason, again, all three parties need the advice, the information and ideas from people who live and do business in the north.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Murray.

Mr. Glen R. Murray: If you measure this initiative against the absolute solution to all outcomes, it's not going to stack up. It's not a silver bullet or a panacea, but it's an important step forward. As a member from about as urban and as central a constituency as you can get—it is a recognition, I think, by the government that it's very important.

Anne Krassilowsky, who is the mayor of Dryden and who's a dear friend of mine, often tells me stories about the cost of energy. Her husband is a trucker. When energy prices go up, he just takes his truck off the road, because he loses money on it every month.

There's attention right now in Canada. We know we're past peak oil. We know that energy prices are going to go up—the laws of supply and demand. We don't have a national carbon price in this country yet but we're going to get one, and that's going to have an impact.

I'm really pleased that the Green Energy Act creates some extraordinary opportunities for northern Ontario that we haven't even started to explore yet, and they're going to be different in more complex and remote areas than they are in large, urban areas. I am very pleased, as someone who's not from the north but who spent a lot of my childhood in Sudbury, to see this recognition.

You're going to see it in industry. The Sudbury mines—my uncles and a lot of my family grew up and came to Canada to work in the mines—now employ 20% of what they used to; it's all automated. There is a much smaller number of people going underground because labour costs and energy costs right now are putting huge constraints on the resource and manufacturing sectors.

I think we're going down the right track. "Permanent" does mean something to me, and when I vote for it and I'm talking to people in my constituency in Toronto, this is the kind of empathy and understanding that people in the south have to have about the very different reality in the north.

Is it all things to all people and is it all solutions right now? No, it's not, but it's an important step forward. I think there's recognition by MPPs from across our party that the north needs this kind of support. I'm quite happy and I would encourage—my colleagues from the north can count on many of us in the south for continued support on these kinds of issues.

The Chair (Mr. Pat Hoy): Any other comment?

Hearing none, there are no amendments to sections 1 through 4. Shall those sections carry? Carried.

Shall the title of the bill carry? Carried.

Shall Bill 44 carry? Carried.

Shall I report the bill to the House? Agreed.

We are adjourned.

The committee adjourned at 1417.

CONTENTS

Thursday 13 May 2010

Subcommittee report	F-119
Lowering Energy Costs for Northern Ontarians Act, 2010, Bill 44, Mr. Duncan / Loi de 2010 sur la réduction des coûts d'énergie pour les Ontariens du Nord, projet de loi 44, M. Duncan	F-120

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