



Legislative Assembly of Alberta

The 29th Legislature  
Third Session

Standing Committee  
on  
Resource Stewardship

Ministry of Environment and Parks  
Consideration of Main Estimates

Wednesday, April 5, 2017  
9 a.m.

Transcript No. 29-3-2

**Legislative Assembly of Alberta  
The 29th Legislature  
Third Session**

**Standing Committee on Resource Stewardship**

Loyola, Rod, Edmonton-Ellerslie (ND), Chair  
Hunter, Grant R., Cardston-Taber-Warner (W), Deputy Chair

Babcock, Erin D., Stony Plain (ND)  
Clark, Greg, Calgary-Elbow (AP)  
Dang, Thomas, Edmonton-South West (ND)  
Drysdale, Wayne, Grande Prairie-Wapiti (PC)  
Hanson, David B., Lac La Biche-St. Paul-Two Hills (W)  
Kazim, Anam, Calgary-Glenmore (ND)  
Kleinsteuber, Jamie, Calgary-Northern Hills (ND)  
Loewen, Todd, Grande Prairie-Smoky (W)  
MacIntyre, Donald, Innisfail-Sylvan Lake (W)  
Malkinson, Brian, Calgary-Currie (ND)  
Nielsen, Christian E., Edmonton-Decore (ND)  
Rosendahl, Eric, West Yellowhead (ND)  
Starke, Dr. Richard, Vermilion-Lloydminster (PC)\*  
Turner, Dr. A. Robert, Edmonton-Whitemud (ND)\*\*  
Woollard, Denise, Edmonton-Mill Creek (ND)

\* substitution for Wayne Drysdale

\*\* substitution for Brian Malkinson

**Also in Attendance**

Fraser, Rick, Calgary-South East (PC)  
Stier, Pat, Livingstone-Macleod (W)  
Strankman, Rick, Drumheller-Stettler (W)

**Support Staff**

Robert H. Reynolds, QC	Clerk
Shannon Dean	Law Clerk and Director of House Services
Trafton Koenig	Parliamentary Counsel
Stephanie LeBlanc	Parliamentary Counsel
Philip Massolin	Manager of Research and Committee Services
Sarah Amato	Research Officer
Nancy Robert	Research Officer
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications and Broadcast Services
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

## **Standing Committee on Resource Stewardship**

### **Participants**

Ministry of Environment and Parks

Hon. Shannon Phillips, Minister

Andre Corbould, Deputy Minister

Tom Davis, Assistant Deputy Minister, Corporate Services

Steve Donelon, Assistant Deputy Minister, Parks

Mike Fernandez, Assistant Deputy Minister, Policy, Legislation, and Evaluation, Alberta Climate Change Office

Ronda Goulden, Assistant Deputy Minister, Policy and Planning

Sandra Locke, Assistant Deputy Minister, Implementation, Engagement, and Regulatory

Robert Savage, Assistant Deputy Minister, Consultation and Stakeholder Engagement, Alberta Climate Change Office



9 a.m.

Wednesday, April 5, 2017

[Loyola in the chair]

**Ministry of Environment and Parks  
Consideration of Main Estimates**

**The Chair:** Good morning, everybody. I'd like to call the meeting to order. The committee is continuing its consideration of the estimates of the Ministry of Environment and Parks for the fiscal year ending March 31, 2018.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, as we did yesterday, please introduce the officials that are joining you at the table. I'm Rod Loyola, MLA for Edmonton-Ellerslie and chair of this committee. We'll continue to my right with the deputy chair.

**Mr. Hunter:** Thank you, Mr. Chair. I'm Grant Hunter, MLA for Cardston-Taber-Warner.

**Mr. Strankman:** Rick Strankman, MLA, Drumheller-Stettler.

**Mr. Loewen:** Todd Loewen, MLA, Grande Prairie-Smoky.

**Mr. MacIntyre:** Don MacIntyre, MLA for Innisfail-Sylvan Lake.

**Mr. Hanson:** Dave Hanson, MLA, Lac La Biche-St. Paul-Two Hills.

**Mr. Stier:** Pat Stier, MLA, Livingstone-Macleod.

**Dr. Starke:** Good morning. Richard Starke, MLA, Vermilion-Lloydminster.

**Mr. Fraser:** Rick Fraser, Calgary-South East.

**Ms Phillips:** Shannon Phillips, Minister of Environment and Parks, minister responsible for the climate change office. Sandra Locke, assistant deputy minister in the climate change office; Andre Corbould, Deputy Minister of Environment and Parks; Tom Davis, corporate services, Environment and Parks, climate change office.

**Ms Woollard:** Denise Woollard, MLA, Edmonton Mill-Creek.

**Dr. Turner:** Bob Turner, Edmonton-Whitemud.

**Mr. Dang:** Good morning. Thomas Dang, Edmonton-South West.

**Mr. Nielsen:** Good morning. Chris Nielsen, MLA for Edmonton-Decore.

**Mr. Kleinsteuber:** Good morning. Jamie Kleinsteuber, MLA, Calgary-Northern Hills.

**Ms Babcock:** Erin Babcock, Stony Plain.

**Mr. Rosendahl:** Good morning. Eric Rosendahl, MLA, West Yellowhead.

**Ms Kazim:** Good morning. Anam Kazim, MLA for Calgary-Glenmore.

**The Chair:** I'd like to note the following substitutions for the record: Dr. Starke for Mr. Drysdale and Dr. Turner for Mr. Malkinson.

Please note that the microphones are operated by *Hansard*, and the committee proceedings are being audio- and video streamed live. Please set your cellphones and other devices to silent for the duration of the meeting.

A total of six hours have been scheduled for consideration of the estimates for the Ministry of Environment and Parks. For the record I would note that the Standing Committee on Resource Stewardship has already completed three hours of debate in this respect. As we enter our fourth hour of debate, I will remind everyone that the speaking rotation for these meetings is provided in Standing Order 59.01(6).

We are now at the point in the rotation where speaking times are limited to a maximum of five minutes. Members have an option of combining their speaking time with the minister for a maximum of 10 minutes. Please remember to advise the chair at the beginning of your rotation if you wish to combine your time with the minister. Discussion should flow through the chair at all times regardless of whether or not speaking time is combined. If members have any questions regarding speaking times or the rotation, please feel free to send a note or speak directly with either the chair or the committee clerk about the process.

With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break? Okay. Seeing none, we'll have the break.

Committee members, ministers, and other members who are not committee members may participate. However, only committee members or an official substitute for a committee member may introduce an amendment, which must be in writing and approved by Parliamentary Counsel prior to the meeting. Twenty copies of amendments, including the original, must be provided at the meeting for committee members and staff.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon by the minister, have access to a microphone in the gallery area. Ministry officials are reminded to introduce themselves prior to responding to a question. Members' staff may be present and seated along the committee room wall. Space permitting, opposition caucus staff may sit at the table; however, members have priority for seating at the table at all times.

If debate is exhausted prior to six hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn.

Pages are available to make deliveries of notes or other materials between staff in the gallery and the table.

The vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 19, 2017.

When we adjourned yesterday, on April 4, 2017, we had just wrapped up an exchange between members of the government caucus and the minister. We will now continue with the rotation and begin today with the Official Opposition.

Please go ahead.

**Mr. MacIntyre:** Good morning, everyone. Thank you for coming. Good morning, Minister. If we could go back a little bit to yesterday, to page 136 of the budget, under Revenue, the line item entitled Climate Change and Emissions Management Fund, yesterday, Minister, you were asked the following question:

Okay. Now, the climate change and emissions management fund: next year it's estimated to receive \$597 million in revenue. That's a 200 per cent increase. How much of this increase is from the five PPAs the government now owns from the Balancing Pool?

Does that have anything to do with it?

And your answer was no. Do you want to revise that?

**Ms Phillips:** I believe that the PPA issue resides in the Department of Energy and has very little to do with the generation and the

generators of electricity, who are subject to the specified gas emitters regulation currently in 2017 and are expected to be subject to the carbon competitiveness regulation that is currently under development, as was recommended by the Leach report, and that consultations are ongoing on the output-based allocations for electricity generators. I . . .

**Mr. MacIntyre:** Excuse me, Minister, but the \$597 million estimated to be received: none of that has to do with the five PPAs held in the Balancing Pool paying carbon tax?

**Ms Phillips:** The generators of electricity are subject to the specified gas emitters regulation. Some of those generators, including coal, combined cycle, natural gas generation, are large final emitters under the specified gas emitters regulation that the province of Alberta brought in in 2008, which is an intensity-based, facility-based regulation that prices carbon based on the ability to achieve on-site reductions in any given year. There is, then, full compliance flexibility for those electricity generators to either pay into the fund to achieve the on-site reductions . . .

**Mr. MacIntyre:** Okay. I understand how that works, Minister.

**Ms Phillips:** . . . or to buy a credit.

**Mr. MacIntyre:** If we may, could we please move on.

You made revisions on the specified gas emitters regulation, specifically the 30 per cent limit on the use of banked credits, so every specified emitter needs to pay something. Are these five units – Battle River 5, Keephills 1 and 2, Sundance 1 and 2 – exempt from that in some way?

**Ms Phillips:** It is incorrect to state that every facility must pay something, because they can achieve their on-site reductions and, therefore, not pay into the fund.

**Mr. MacIntyre:** That's not the question. Are those five units exempt somehow?

**Ms Phillips:** There are no exemptions from the specified gas emitters regulation for facilities that emit over 100,000 tonnes.

**Mr. MacIntyre:** Then how did the \$597 million in revenue happen? It's a 200 per cent increase over the previous year. Where is it coming from?

**Ms Phillips:** It is expected to come from the fact that the carbon competitiveness regulation will price more emissions than the specified gas emitters regulation did. There will be more opt-in to the CCR – it is likely; at least, the Leach report recommended that there be opt-in – the carbon competitiveness regulation, for facilities who are trade exposed potentially, even those who are less than 50,000 tonne emitters, and the stringency for these projections is based on the Leach recommendation of the stringency of existing coal generation to be good-as-best gas. So that means that there is a bump-up in the stringency from the specified gas emitters regulation to the carbon competitiveness regulation. That will not be the case for all of the incumbent generators as some of the newer plants do achieve closer to good-as-best gas although none of them quite achieve it.

**Mr. MacIntyre:** Thank you, Minister.

We were looking at and doing some research on the specified gas emitters participants, and the list that we could find online was dated 2013. Are you able to provide us with an updated list of who the participants are and how much each one is paying?

9:10

**Ms Phillips:** What the hon. member is looking for, Mr. Chair, I believe, is the list of large final emitters that emit over 100,000 tonnes. I'm going to ask Bob Savage, who has been part of the output-based allocations process, to discuss the list of large final emitters, or perhaps ADM Sandra Locke can provide a little bit more clarity on this matter.

**Mr. MacIntyre:** Thank you.

Can you simply send that list to us and what each one is paying or estimated to pay?

**Ms Locke:** I'll connect with my officials in the department and determine how much of that information is publicly available. The last year's compliance, 2016, was actually submitted last Friday, so we're in the process now, this week, of assessing that and making sure we have all the compliance forms submitted and just doing our quality check on that. We will take that back and . . .

**Mr. MacIntyre:** Thank you.

In that list that you just got from 2015, are Battle River 5, Keephills 1 and 2, and Sundance 1 and 2 included?

**Ms Locke:** I don't have the list in front of me. I don't know what compliance options they selected. As the minister referred to, they can reduce emissions, they can use offsets and credits that they own, and they can pay into the fund. How they chose to actually comply is information I don't have available right now.

**Ms Phillips:** One of the matters of clarity on the facilities is that because they retain compliance flexibility, some of the revenue volatility will come from how facility-based decisions are made, whether they are choosing to invest in technology to make those on-site reductions . . .

**Mr. MacIntyre:** Thank you, Minister. If we could move on, please, in the interest of time.

**Ms Phillips:** . . . whether they are holding their credits given that the price is going up, or whether they are paying into the fund.

**Mr. MacIntyre:** So just for clarity's sake, for the increase that we see, that is now shown as \$597 million, none of that money came from those five.

**Ms Phillips:** All generators own the production assets. They have always been subject to the specified gas emitters regulation. They have been paying into the fund or achieving on-site reductions or purchasing credits since 2008, and that situation continues . . .

**Mr. MacIntyre:** I understand that. But yesterday you said no to that question. Is it no?

**Ms Phillips:** . . . because it is not the PPA holder that pays into the fund; it is the generator.

**Mr. MacIntyre:** All right. Moving on.

Given your department's insistence that coal as a fuel cannot possibly be made clean enough, now that the government, via the Balancing Pool, has absolute control of these coal units, why are you continuing their operation and thereby continuing their emissions?

**Ms Phillips:** The government does not own the production generation assets of electricity. Those are owned by our various incumbent generators, and they are making . . .

**Mr. MacIntyre:** I understand that, Minister. But the Balancing Pool is continuing to operate those PPAs and emit.

**Ms Phillips:** The generators make the business decisions as to whether they continue to operate, whether they make on-site reductions, whether they invest in conversion potentially.

**Mr. MacIntyre:** So as it stands, Minister, the government of Alberta essentially is the largest emitter of emissions in the province.

**Ms Phillips:** Could the hon. member point me to the line in the estimates to which this policy conversation refers?

**Mr. MacIntyre:** It's on page 136, under Revenue, Climate Change and Emissions Management Fund. It is receiving funds from these emissions.

**Ms Phillips:** It is receiving funds from generating assets, yes, as it has done since 2008.

**Mr. MacIntyre:** That's why this is pertinent, because we continue to have coal-fired generation, and if coal is so evil – you're continuing to run it.

So with some of our more advanced coal-fired generation . . .

**Ms Phillips:** We do not run generating assets. That is incorrect. That's false.

**The Chair:** Thank you very much, Minister and Member.

We'll now move on to members of the third party.

**Dr. Starke:** Well, thank you very much, Chair, and thank you, Minister. I wonder if it would be possible to go back and forth for our 10 minutes.

**Ms Phillips:** Yeah.

**Dr. Starke:** Great. Okay. Minister, I want to just pick up on a few short items that we didn't get to yesterday in the parks area. My understanding is that Gregoire Lake provincial park suffered severe damage as a result of the Wood Buffalo wildfire. I'm wondering if you could outline to us what the plans are in terms of going forward for Gregoire Lake. Is it to be rebuilt? It's an important asset in terms of northeastern Alberta, being one of the few provincial parks that serves, certainly, the Fort McMurray and Wood Buffalo areas.

**Ms Phillips:** Well, Gregoire Lake was actually slated for some capital upgrades because we've seen such growth in the population there and a lot of people use it, and that was before the Fort McMurray wildfire. So now the plan, going forward, is determining how much of that rebuild is eligible for the disaster recovery program, as I understand it, and continuing with our part of the expected capital upgrades that we were going to do anyway. There's probably a little bit of delay associated because that was supposed to start happening, I think, last year even, but of course it didn't. Now we're going to make sure that we are getting the right amount of disaster recovery assistance and making the investments that we were going to make anyway.

The deputy has a couple of things to add.

**Mr. Corbould:** Thanks, Minister and Chair. I would just like to add that we're going through that assessment now. We do believe we'll be able to open parts of Gregoire Lake in July, based on the spring activity that's going to happen. We're going to do our most to get part of it open.

The other thing is that there is lots of assessment going on, and of particular note we're doing a lot of public safety assessment, doing

some analysis on trees, for example, that are at risk of falling on people. We want to make sure that we go through that full assessment from a public safety perspective first and foremost before we . . .

**Dr. Starke:** And that's fair. I mean, I can only tell you that it's a gorgeous site and encourage everybody to go visit it.

I want to stay a little bit on the capital side. Minister, you may remember that last year I congratulated you on your ability to have absolutely no unfunded projects or no projects on the unfunded list. This year you didn't do quite as well. There are a number of projects that didn't receive funding. I noticed one of them – you mentioned yesterday in your remarks about William Watson Lodge, which, as you know, is sort of a favourite of mine, but I do notice that it is on the unfunded list. I'm just wondering: are you still going to be able to go ahead, or is it still slated to have the necessary improvements done to William Watson Lodge, and if so, is there any idea when that project will be moved from the unfunded to the funded list? I know that there was some comment about the funding being tied to the operations of the Kananaskis golf course, and I guess I would really encourage you to maybe consider untying those.

**Ms Phillips:** Okay. A couple of clarifications there. What we did with the Kananaskis golf course – because, you know, we had some work to do on that file in spring of 2015. A part of figuring out how to make that particular facility and contract work a little better in the public interest was ensuring that it helped kind of support some of the tourism and recreational opportunities in the region. There are some parts of the William Watson Lodge capital maintenance and renewal and new capital funding for the William Watson contained in this budget; it's just not all of it. There are more phases to this. I think it's fair to say that, you know, with some of our parks infrastructure – it's like any other infrastructure – it never really ends. But once we have some analysis and an assessment and planning, then it can go on the unfunded list because then we know we're ready if and when the opportunity should arise.

**Dr. Starke:** Sure. Okay. Minister, that's fine. I mean, I guess what I'm saying and what I'd just like to encourage the department to do is to move ahead with that as quickly as possible.

Now, the other project that I'm looking for and not seeing and that I'd appreciate an update on is the Kananaskis Emergency Services Centre and where that is at. It's not on the unfunded list. I don't see it on the capital list either, though, and I'm just wondering. I know that that is a need. Is that something that has now been completed, or where are we at with that?

**Ms Phillips:** It is under way. I'll ask either the deputy or Assistant Deputy Minister Steve Donelon to discuss its progress. It was funded last year.

**Mr. Donelon:** Steve Donelon, assistant deputy minister of parks. That project is proceeding this year. You don't see it on our capital list because it's being funded through Infrastructure.

**Dr. Starke:** Okay. Thank you.

I want to shift gears, then, just a little bit, back to the business plan and the performance measures. Specifically, on page 69, a key strategy in the business plan talks about tracking, and then the performance measures that are under development talk about tracking the success of "nature-based tourism and outdoor recreation on public lands."

9:20

I mean, I think that's great as a goal and to track it, but I guess what I'm wondering about is that when we were in Culture and

Tourism estimates here a couple of weeks ago, we were told by the Culture and Tourism minister that they're in fact not going to be tracking the statistics for job creation, for revenues earned, or for overall impact to GDP or to taxation revenues anymore because, apparently, those statistics are difficult to track. So I'm wondering: how are your performance measures going to correlate with the tourism department when they, in fact, aren't going to be tracking this? Are you going to be setting up a separate tracking mechanism so that we know what the performance measure is, or is that something that's still going to be developed in consultation with Culture and Tourism?

**Ms Phillips:** Good point, hon. member. I think that as we move forward with establishing some of these public land-use zones, we'll have a better idea of what activities are actually happening within public land-use zones. I'm thinking particularly here of the ones in southwest Alberta, where we are investing in infrastructure and capital and ensuring that the right activities are in the right places. That makes it easier for us to know what's happening on public land from an economic development perspective, from an environmental management perspective, and so on.

**Dr. Starke:** But I guess the question remains: how is it going to be measured? Culture and Tourism says that they're not measuring it anymore, right? Is that something that you're going to then undertake under Environment and Parks? How are we going to determine, you know, what the numbers are? I mean, a lot of this stuff – you talked about being scientifically driven, and I agree. In the case of tourism it's a numbers-driven business, and if we don't know what the numbers are, how do we know if we're successful?

**Ms Phillips:** I think that's a very good point. On these public land-use zones and with respect to the economic development opportunities that come with them, I think it's fair to say that those performance measures are under development, and I think it's also fair to commit to having a plan on how we are going to work with Culture and Tourism in order to develop them.

**Dr. Starke:** Good. Well, I'd encourage that, Minister.

Minister, I want to move back again to the capital plan and a couple of questions I had about it that I'm, I guess, curious and puzzled by. I pulled out the 2016 budget, and I noticed that the capital plan details are a five-year time frame, yet the 2017 budget, this year's budget, is only a four-year time frame. Do you know or could somebody tell me within the ministry why that time frame has changed from five years to four years, as a starting question?

**Ms Phillips:** Yeah. As I understand it, it came from Treasury Board and Finance that essentially last year was year 1 of the five years, so this year is year 2.

**Dr. Starke:** So are we going to have a continually shrinking time horizon?

**Ms Phillips:** That is a question for Treasury Board and Finance.

**Dr. Starke:** Okay.

**Ms Phillips:** I don't imagine so, seeing as we have budget forecasts for three years on the operating side.

**Dr. Starke:** Okay. Well, I mean, I was just going to say that whatever input you have to the minister, I would recommend maintaining as broad a horizon as possible.

On that note, in comparing the two budgets, last year the five-year time frame called for a total expenditure in the climate change,

environmental protection, and sustainability section. This is page 48 of the fiscal plan from last year, which you may not have in front of you. But when you compare it to this year on page 44 of the fiscal plan, the five-year expenditure horizon last year was \$4.084 billion, this year we're at 3.809 billion, and there's a whole long list of additional projects. I guess the thing that concerns me the most is that the lion's share of the funds is in two line items. One is simply entitled Climate Leadership Plan for some \$1.7 billion and an additional \$250 million on something called Climate Leadership Plan: Other Projects. That's roughly half of the total four-year capital plan.

I guess what I'm wondering, Minister: when are we going to see a more detailed sort of outline and itemization of what that all is being spent on? I think there are a lot of Albertans that are concerned that in just about every other case it's very specific as to what the projects are and what years the money is going to be spent in. These are huge amounts of money, and there's very, very little in the way of details as to how this money is going to be spent.

**Ms Phillips:** Thank you for that. Some of the variance between last year's budget and this year has to do with better revenue forecasting, better accounting for volatility, and so on. I have other detail that I can undertake to get to the member.

**The Chair:** Thank you, Minister.

Having no independent members in the room, we will now move on to the private members of the government caucus.

**Mr. Rosendahl:** Thank you, Minister and staff, for being here today. We would like to share our time equally between ourselves and the minister if that's okay. The same people that were asking questions yesterday, myself and Member Kazim, will share the questions equally as we move forward.

I would like to start talking about biodiversity monitoring, which is important, especially in the area of West Yellowhead, when we look at all the issues of forestry, oil and gas, mining, and, of course, all the local tourism that has an effect on the land base. So these next questions are very important for West Yellowhead in particular.

The question concerning biodiversity. Healthy and resilient biodiversity is integral to ensuring the ecosystem's integrity. In fact, besides the obvious environmental benefits, Alberta's biodiversity is significantly associated with Alberta's social well-being and quality of life via the provincial green economy, through Alberta's recreation and tourism industry. To ensure that Alberta's biodiversity is protected and sustained for the enjoyment of future generations, this is the question: when is a review of biodiversity monitoring and programming spending planned vis-à-vis oil sands monitoring and the land-use framework?

**Ms Phillips:** Thank you, Member, for that question. There's no doubt that Alberta is one of the busiest landscapes, really, in the industrialized world. We have a number of different activities going on in the landscape, and properly managed, that's a really good thing. It provides jobs and livelihoods for Albertans, and we are certainly world leaders in being responsible in those activities. However, we need to make sure that we've got the right kind of monitoring happening out on the landscape, particularly in the oil sands region. There have been questions in the past as to our monitoring program and so on, and that is why we moved the environmental monitoring and science division back into the department and ensured the independence of the Science Advisory Panel and the chief scientist.

The new environmental monitoring and science division has developed a plan to review the monitoring network in lower



Athabasca, the oil sands region, to ensure it effectively supplies the information that we need in order to make decisions around biodiversity management, and that review will be initiated in this budget year. You know, there are many other details associated with that, but it should be said that that work is ongoing and it's collaborative, both with communities, the local communities, and with the federal government.

**Mr. Rosendahl:** Okay. Thank you.

The next question is also tied in with the topic of biodiversity. When it comes to protecting Alberta's biodiversity, wetlands are extremely important. Wetlands are amongst the most fertile, complex, diverse, and productive ecosystems on Earth. The fact is that wetlands are also our water filters, so it's important that we address this. Consequently, Alberta's biodiversity is strongly associated with the wetlands, of course. Subsequently, to ensure the sustainability of Alberta's wetlands, does biodiversity spending include the monitoring of Alberta's wetlands?

**Ms Phillips:** Thank you, Member, for that question. As part of the consolidation and sort of rationalization of monitoring activities throughout the province, we have initiated a plan for expanded monitoring. Importantly, monitoring is all well and good, but there must be evaluation and reporting of the data as well, in a form that the public can understand, that all stakeholders, whether they are municipalities or industry – the data must be accessible, must mean something, must be meaningful. We have initiated a plan for expanding all of that with respect to the condition of Alberta's wetlands, to support the implementation of our wetland policy and other initiatives, including the oil sands monitoring program.

A further piece of that is that we do have long-term lake monitoring happening throughout the province, including some components that are supported by the environmental monitoring and science division, that are delivered via LakeWatch's community-based monitoring program. We're assessing our lake monitoring for improvements, and redesigning a provincial lake monitoring program will be one of the things that we do in 2017. We know that we hear from a lot of our constituents – I'm sure the member does hear from his; I'm sure the Member for Stony Plain hears from hers – of lakes in areas around Lac Ste. Anne and elsewhere that have really suffered in terms of their water quality. We're looking for ways within the current budget that we can use better science and take more coherent action so that lake users can better enjoy them, so that they can be better habitats for fish, wildlife, and so on. That work is ongoing.

9:30

**Mr. Rosendahl:** Thank you very much, Minister.

As a supplemental to the last question I'm also curious to know: did the Fort McMurray fires impact revenue from industry-sponsored monitoring programs?

**Ms Phillips:** There have been some delays in the oil sands area in terms of work around monitoring and some increased deferred revenue in the oil sands monitoring program from 2016-17 given the magnitude of the Horse River fire, as it is called. Industry will continue to pay their share of the oil sands monitoring funds, and a plan to ensure that the deferred revenue is appropriately invested is in process to kind of ensure that it works along a five-year plan. That will provide an increase in studies, monitoring, and evaluation projects for that region, and some of that will also allow us to optimize monitoring design, efficiency, and implementation.

I think it's also really important to note in the oil sands region the role of the Indigenous Wisdom Advisory Panel. I know of no other place, really, anywhere that has a statutory requirement for a

minister to appoint an Indigenous Wisdom Advisory Panel, whose job is to provide advice on traditional ecological knowledge that is then braided into an overall science program. It is certainly a new thing, and so far we have received good advice to the chief scientist from the TEK panel. I'm really excited about the opportunities that that will provide for Alberta to really put forward a scientifically credible monitoring program in terms of the western science elements but have it be informed by the communities that it affects.

**Mr. Rosendahl:** Thank you very much.

I'll now turn the next set of questions over to Member Kazim.

**Ms Kazim:** Thank you very much, Minister, for your time and for being with us today. I have a question on the business plan. On page 67 of the ministry's business plan, key strategy 1.3 reads:

Enhance Alberta's parks and protected areas system, in conjunction with the continued implementation of Alberta's Land-use Framework, through:

- development and implementation of the Parks and Protected Areas Strategy.

Regarding the parks and protected areas strategy, which line item is it associated with in the government estimates, and when will it be implemented?

**Ms Phillips:** The parks operations piece is line 7.1 of the estimates. Part of parks operations and the operations division of the environment side of the budget are involved in moving us toward a plan for a 17 per cent conservation target by 2020. We think we can get there. That's, of course, an IUCN target. It's an international target. You know, Alberta is fairly close, particularly with the proposed parks in the lower Athabasca region. It's part of the biodiversity and all of that that we were talking about earlier.

**The Chair:** Thank you, Minister.

We'll now move on to members of the Official Opposition.

**Mr. MacIntyre:** Thank you. Continuing on, then, if I may, Minister, go to page 129 of the budget, the residential no-charge energy savings program under energy efficiency. Can you provide us with a breakdown for the \$56 million that's being spent on the no-charge energy savings program? How much of that is admin? How much is labour? How much is actual product being delivered?

**Ms Phillips:** Actually, we have a clarification on that particular number. We made an error yesterday, and I'll have Assistant Deputy Minister Locke provide a little bit more detail on that.

**Ms Locke:** Thank you, Minister. Yes, Chair, I'd like to clarify the number I provided yesterday.\* I was reading off the wrong line. It's actually \$21.5 million for that program.

To get into the specifics of the actual breakdown of the \$21.5 million, I don't have that information available.

**Mr. MacIntyre:** Would you undertake, please?

**Ms Locke:** We'd have to follow up with that.

**Mr. MacIntyre:** That would be fine if you would undertake.

**Ms Phillips:** We can undertake that; however, the contract and the request for proposals provide some of that detail as well.

**Mr. MacIntyre:** All right. How will your department be measuring and verifying the greenhouse gas emissions reduced and the water saved from this program?

\*See page RS-437, right column, paragraph 16

**Ms Phillips:** That level of detail, I believe, is being handled through the measuring, reporting, and verification branch of the Alberta climate change office and also through the number of kits installed for that particular program. Of course, there are many other programs that also achieve greenhouse gas emission reductions such as the individual solar program that has been announced, the residential rebates, and the business, nonprofit, and institutional programs.

**Mr. MacIntyre:** Sure, but, if I may, under this particular program can you illustrate or describe for us what the metrics are going to be to actually make this measurement?

**Ms Phillips:** The metrics are the amount of greenhouse gas emissions reduced.

**Mr. MacIntyre:** But what are the metrics to calculate that or to estimate that?

**Ms Phillips:** I think we will have to provide that level of technical analysis as an undertaking.

**Mr. MacIntyre:** Would you mind? Thank you. I'd appreciate that. Do you have an estimate on the cost per tonne of abated greenhouse gases?

**Ms Phillips:** Yes. I believe that the technical analysis that underpins these programs provides that, which we refer to in shorthand as the Dunskey analysis. It is publicly available.

**Mr. MacIntyre:** Wait a minute. Is that a generalization or specific to this program, though?

**Ms Phillips:** It is specific to this program.

Mike Fernandez, who is assistant deputy minister in the climate change office, can provide more detail on this.

**Mr. MacIntyre:** Thank you.

**Mr. Fernandez:** Good morning. Again, my name is Mike Fernandez. I'm the assistant deputy minister of policy, legislation, and evaluation in the Alberta climate change office. I'm sorry, sir. Would you mind repeating the question for me, please?

**Mr. MacIntyre:** Sure. I'm just wondering if you can tell us how your department is going to measure and verify the actual greenhouse gas reductions and actual water saved through this program?

**Mr. Fernandez:** Yes. There's a series of metrics that we put in place working with Philippe Dunskey, who's the consultant that advised on sort of the technical details of the program. Just as background for the committee, Dunskey Energy Consulting is a Montreal-based firm that specializes in water conservation and energy efficiency measures. They're recognized across the country for having successfully launched programs in both Canada and the United States. The metric that we're going to be using is the actual GJs, or gigajoules, of energy reduced per home, and that information can be derived as an auditor goes out and knows that we've installed or replaced X lightbulbs or Y aerators. We can quite easily calculate the GJs reduced and ensure . . .

**Mr. MacIntyre:** Thank you. Could you please undertake to fire that off to me?

**Mr. Fernandez:** Yeah. Certainly.

**Mr. MacIntyre:** Thank you. I'd appreciate that very much.

**Ms Phillips:** Actually, hon. member, it is available publicly already.

**Mr. MacIntyre:** Okay. Where would that be?

**Ms Phillips:** On the Internet. That would be either on the climate change office website or the efficiency website; it's publicly available.

9:40

**Mr. MacIntyre:** Thank you.

Now a question for you, Minister. MLA Hinkley announced in the Legislature a savings for an average family of "\$112 dollars on their power bill." Is that figure annual or over the lifetime of the product being installed?

**Ms Phillips:** Annual.

**Mr. MacIntyre:** Annual. Thank you very much.

A question for you: on this program how many companies bid on this project?

**Ms Phillips:** The RFP details I will leave to Assistant Deputy Minister Sandra Locke.

**Ms Locke:** Thank you, Minister and Chair. We posted a request for proposals through the government procurement website. We posted a package that referred to the specifics of the work that we wanted done and what we asked.

**Mr. MacIntyre:** Yeah. Understood.

**Ms Locke:** We received five proposals.

**Mr. MacIntyre:** How many of those came from Alberta companies?

**Ms Phillips:** One came from an Alberta company. One of them was from an Alberta-only company, and one was from an Alberta company in partnership with a North American firm.

**Mr. MacIntyre:** Thank you.

Moving on, then, if the company that won this bid, Ecofitt, failed to submit a per-household estimate cost, on what basis did Ecofitt win the RFP?

**Ms Phillips:** I will defer to Assistant Deputy Minister Sandra Locke for that question.

**Ms Locke:** There were a number of criteria in the bid package. We would be looking for relatively standard types of criteria, including the cost, the experience of the company, the experience they've had in delivering the program, cost savings that they would have provided, the technical experts that they would be drawing upon. Specifically, we had evaluation criteria for qualifications and experience, their work plan itself and how they were proposing to deliver it: was it well thought out and did it drive to actually being able to deliver the program in an efficient way? Innovations: we would be looking for some bright ideas on how this program could be launched and executed.

**Mr. MacIntyre:** Okay.

**Ms Locke:** The budget itself and how they were . . .

**Mr. MacIntyre:** If I may, was the lowest bid the bid that was accepted?

**Ms Phillips:** Let me provide a little bit of this. Five proposals were submitted. The only bid from an Alberta-only company was three times the price of Ecofitt, and another proposal from an Alberta company that had entered into a partnership with a North American firm was nearly twice the price of Ecofitt. This is the problem with interprovincial trade barriers and slamming the door to investment from other provinces. Oftentimes we don't get the right value for money, which is why it's been 50 years of taking down international and interprovincial trade barriers in order to get the better value for consumers.

**Mr. MacIntyre:** Minister, was Ecofitt the lowest bid, then?

**Ms Phillips:** Please, Sandra.

**Ms Locke:** It was the second-lowest bid. The lowest bid provided a bid package that did not demonstrate that they had the capability to deliver the program with the qualifications and experience that we were looking for.

**Mr. MacIntyre:** Okay. That's fine.

**Ms Phillips:** So once again here we have a situation where there were external advisers on this procurement panel, just as there always are in government procurement. In this particular case it was an individual from SaskPower. All of the folks who participated in this have experience in this area.

**Mr. MacIntyre:** Excuse me, Minister. I'm going to have to move on. Please forgive me for moving us on.

In the RFP for this contract it's noted that the program participants, that is the homeowners, are going to need to provide Ecofitt with contact information, the number of people in the home, the income range, the utility and utility account number, and the rate codes. This is rather personal information that's going to be gathered by these Ecofitt people coming in, the third-party people coming in. What sort of protection do we have in place for this personal information, and why is it being gathered?

**Ms Phillips:** Well, first of all, of course, Ecofitt has moved its western Canadian headquarters to Calgary and has hired 70 Albertans so far to deliver this program.

**Mr. MacIntyre:** That isn't the question, Minister. How are you going to protect this personal information, and why is it being gathered?

**Ms Phillips:** I will now ask Mike Fernandez, who is the assistant deputy minister in the climate change office, to provide that information.

**Mr. MacIntyre:** And are homeowners being told ahead of time they're being asked this stuff?

**The Chair:** Okay. Thank you, everyone.

We'll now move on to members of the third party.

**Mr. Fraser:** Thank you, Mr. Chair. Minister, deputies, good morning. Minister, with regard to the \$30 million being provided by the federal government on orphan wells and the cleanup, can you provide the committee the details on the mechanism of how that money is going to flow?

**Ms Phillips:** Unfortunately, hon. member, the Orphan Well Association and associated programs are situated in the Department of Energy, not Environment and Parks.

**Mr. Fraser:** Okay. Do you expect at any point that your office will be asked to provide funding for the orphan well cleanup?

**Ms Phillips:** Not yet, hon. member. I mean, part of this work is our work as Environment and Parks in ensuring that we do some work with professional associations and so on to make sure that we know what the training requirements are and some of the compliance and that piece. That sometimes involves Environment and Parks. The agrologists, for example, and their role with respect to – or who is able to certify that a wetland is in fact a wetland, for example: that involves Environment and Parks on that regulatory piece.

But so far the conversations around orphan well reclamation have resided within the expertise of the Orphan Well Association and their relationship with the Department of Energy and the Alberta Energy Regulator. There is a role for some of the ongoing reporting and so on through Environment and Parks, and there's a role for us vis-à-vis the Surface Rights Board and in ensuring that landowners are treated fairly under that piece of legislation. That's the scope of our role so far.

**Mr. Fraser:** Okay. So at this point you guys aren't fully integrated with that program in terms of the cleanup.

**Ms Phillips:** I think there's probably a few more technical details that I am not in possession of, that I will ask the deputy minister to discuss.

**Mr. Corbould:** Thanks, Minister. Chair, firstly, I would say that it is, as the minister said, an AER and Energy program to run. We are very integrated in it because we provide policy advice on some of the programs that they're doing, and of course from a regulatory perspective we get involved. We also get involved in the technical deliberations and make sure that, you know, we're saying the same things and following the same standards in the oil and gas sector and then the sectors that we regulate. There are a lot of common themes that we talk about from a technical perspective. We're well integrated technically.

Then, finally, on the training side there are a lot of excellent indigenous and First Nations companies that are going to get into some of this orphan well cleanup, so we're working with them as well from a technical perspective and helping and advising on training and things like that.

**Mr. Fraser:** Right. Again, just because you touched on it then, indigenous land, like, are you aware of how many of these orphan wells are on indigenous lands? Second to that, I guess, in your office how integrated are indigenous issues with the environment and traditional lands, that sort of thing? Is there a segment of your office? Are you expanding that? Where is that at now?

**Ms Phillips:** Great question. I'll take the first one first. I believe that we do know where the orphaned and abandoned, in terms of the list – certainly, the AER knows how many there are, so I imagine the geographic location is also known to them. I don't know if we can undertake an undertaking for them. But perhaps, Deputy, you have a bit more detail on that.

**Mr. Corbould:** Mr. Chair, I would recommend sort of directly asking that question of the AER and/or the Orphan Well Association because that's the direct method.

**Ms Phillips:** Yeah. On the indigenous piece, you know, there's no question that this is a busy file for us in Environment and Parks. It's more than a file. It's sort of a way of thinking and a way of approaching problem solving, so we're trying to integrate it into

almost everything we do, for example new parks. We're beginning some conversations on the subject of the proposed wildland parks in the lower Athabasca area and if there are opportunities there for co-management; similarly with the new Castle parks, if there are opportunities for indigenous co-management there. We see co-management sort of prevailing in a number of other jurisdictions, but we haven't really done it yet here. We're taking our time and doing it carefully, but I think that's one really interesting opportunity for economic development as well as for ensuring that our constitutional obligations around traditional land use are upheld. So that's one piece of it.

Another piece is, for example, the work around the oil sands advisory group. The co-chair is an individual from the Mikisew Cree, and she is very much involved in that process, for example. There are a number of other ways in which we're trying to weave it into our work.

9:50

**Mr. Fraser:** Right. So in terms of finance, how much money do you receive from the federal government in partnership to ensure that those indigenous issues are addressed not just at a provincial level but on a national level?

**Ms Phillips:** You know, it's funny. I think that we could maybe use a bit more help from the federal government on some of these land-use issues and on ensuring that we are substantively addressing our constitutional obligations around traditional land use and our treaty responsibilities. From our perspective, we're trying to do what we can within the budgets that we have and looking for ways that we can create potentially new partnerships with the feds. I'm thinking here around oil sands monitoring, for example. In some ways we have taken the view that as a province we will do our part – for example, on drinking water, the capital investments to do some of that last mile, the provincial infrastructure piece – and then the on-reserve piece is up to the federal government.

**Mr. Fraser:** Right. You mentioned the drinking water and water stations, particularly on indigenous lands. Can you tell the committee how soon that work will start at a provincial level in addressing water quality on reserve lands?

**Ms Phillips:** I believe Environment and Parks has a bit of a role in terms of – like, the actual transportation of the water and the water pipelines are, of course, up to Alberta Transportation, but we do have some of the monitoring of water quality and that kind of role. I believe that work has already started in partnership with Alberta Transportation.

I'll ask the deputy, who used to be a Transportation deputy, to provide a bit more detail there.

**Mr. Corbould:** Thanks, Minister. Chair, just a couple of things on the indigenous pieces. I just wanted to highlight that we're doing a whole bunch of training right now in the public service on indigenous work and liaison and partnership, so there's an enhancing of the public service indigenous training on that. We've mentioned the Indigenous Wisdom Advisory Panel. We're doing a lot of work on parks co-operative management and regional planning and direct engagement with indigenous nations on things like trapping and harvesting and all those things. Also, at the department we have two indigenous interns right now, and we're running – the next project over the next year is to enhance that to a number of five.

So just on the indigenous pieces, with respect to the second question, which was drinking water, there is a deputy minister's indigenous drinking waters committee that has been stood up over

the last six months – and we're working on strategies – that includes the federal government at the table. The key piece that we want to do from a drinking water perspective is to make sure that we essentially take our provincial and municipal connections and make them easier to take to indigenous First Nations, essentially, you know, to provide that resource. As we do water for life projects, we're always thinking: okay; how can we most easily connect the indigenous First Nation that is closest to that? We're getting priorities on that from the federal government as well as indigenous nations themselves.

**Mr. Fraser:** Okay. Can you tell me how many indigenous full-time staff are embedded in your office to work on these files day to day?

**Ms Phillips:** I can't. In terms of the department?

**Mr. Fraser:** Yeah.

**Ms Phillips:** I don't know if we would even gather that.

**Mr. Fraser:** Or at the very least, like, in a leadership position that's an ongoing adviser to deputy ministers and up?

**Mr. Corbould:** Minister and Chair, I believe that's a question for the Public Service Commissioner because I don't believe at this point that the bureaucracy tracks not gender but . . .

**Ms Phillips:** Ethnicity.

**Mr. Corbould:** Ethnicity.

**Mr. Fraser:** Yeah. I just thought, you know, that with quality of water, dealing with land issues, reclamation of land, and that sort of thing, it might be a line item that you'd be aware of.

Minister, can you give us – you know what? I'm going to save my question coming up here. Chair, I will move on because I think my time is almost up here.

**The Chair:** It's almost up.

I will take this opportunity just to highly suggest to all the members on both sides of the room to keep the side conversations a little bit lower. I'm finding it a little bit distracting. If you could just keep the volume a little bit lower, I'd really appreciate that.

We'll now move on to the private members of the government caucus.

**Ms Kazim:** Thank you, Mr. Chair. I would like to share my time with Member Rosendahl, and I would like to go back and forth with the hon. minister.

Looking through the department's budget, I noticed that there are several parks renewal projects listed. Why are these renewal funds necessary, and what will these renewal funds support?

**Ms Phillips:** Yes. Maintenance and renewal of our existing, aging infrastructure has been flagged as a priority. Where things were invested in more than 20 years ago, maybe 30 years ago, things have fallen into disrepair, and Albertans notice, and tourists notice. That's why it's important to continually invest in that kind of infrastructure. We have put more resources into that area. We've doubled our capital maintenance and renewal in that line item. It will mean 27 major renewal projects, estimated at \$16 million, with another \$13 million allocated to the life-cycle maintenance of park assets for the entire province. That includes replacement of building systems like roofing, siding, heating systems. It includes renewal and upgrade of shelters, of vault toilets, all of that kind of

infrastructure that people see and use and does become run down over time. We want to make sure that we're supporting that.

**Ms Kazim:** Okay. Thank you very much.

I'm very excited about the government's decision on enhancing the protection of the Castle area. The Castle area is one of the most biologically diverse areas in Alberta and is home to a range of rare and at-risk species. I'm looking forward to seeing the government implement its plans and policies for this area in the future. For now, specifically in this budget, where are the dollars invested in the Castle going?

**Ms Phillips:** In this budget we've got \$7 million in capital going to repairs and upgrades of the existing recreational infrastructure in the region. That is things like access roads, staging areas, existing shelters, toilets, this kind of stuff. Other specifics will be determined following approval of the Castle management plan. Of course, we're in a public consultation process right now on that.

We are ensuring that we are investing in things like accessible fishing at Bathing Lake. We've got some investments that are going to happen in this fiscal year to make sure that people with disabilities can access angling opportunities just like anyone else.

We're also investing in a Blackfoot offering site. It's something that the local First Nations have asked us for because it is an area where traditional use and specific cultural sites have been identified, and we need to make sure that we've got the right supports for making sure that the Piikani and Kainai people have access to that area.

We've got a little bit of funds for trail and road assessment as well in this year's capital spend, and then in the broader capital budget we announced last week that we'll be just paving the road up to the Castle Mountain Resort really for reasons of public safety. That gravel road over time has become a bit run down, and certainly almost everyone in the area where I'm from knows someone who's, you know, hit the ditch, especially in the wintertime, up there. That was an important and welcome investment for the municipal district of Pincher Creek and the local residents in and around Beaver Mines and elsewhere.

Also, to ensure better drinking water quality – we've had some and certainly the municipal district has had significant concerns around the water quality for the residents in and around Beaver Mines. Water is always an issue in southern Alberta, and access to water is always an issue. We've extended the water infrastructure pipeline to the hamlet or community of Beaver Mines, if you will, to make sure that those residents aren't having to truck in their water anymore. We can take the pressure a little bit off the groundwater and that system by extending the water pipeline from the village of Cowley up into the area. It will just support the residents a lot better and allay many of the fears around the public safety concerns around clean drinking water.

10:00

**Ms Kazim:** Thank you very much.

Now I would like to turn it over to Member Rosendahl.

**Mr. Rosendahl:** Thank you, Minister. I'm now going to go into a topic that is very important to me. As you well know, I've had many discussions with your office about this. Of course, the topic is caribou. I am certainly concerned about the issues of the Little Smoky and A La Pêche herds in my constituency.

When we look at page 67, your key strategy 1.6 specifically mentions the Alberta caribou population. It says:

1.6 Address species and wildlife management through ...

- development of caribou range and action plans for all caribou populations to meet species recovery requirements.

My question, then, to the ministry is: what is Alberta doing to meet the requirements of the federal caribou strategy, and what is the budget for this work?

**Ms Phillips:** Thank you, hon. member. We did have a chance to talk about this a little bit yesterday. I'm pleased to provide a little bit more detail around it. We are preparing the first in a series of range plans to protect the caribou and restore habitat. In this year's budget \$22 million has been earmarked for wildlife management, with \$15 million in operating and capital earmarked for caribou recovery and restoration efforts.

The federal strategies direct that action and range plans must be developed by 2017, so we are not alone in this. Other provinces also have challenges and are also working towards meeting the federal recovery strategy deadline for woodland caribou.

Our range plans are being developed in conjunction with stakeholders to protect our herds and adhere to the federal legislation. That is why we put out a draft of our initial thoughts on what it could look like in the Little Smoky and A La Pêche herds. We did that with over a year of opportunity to have conversations with communities. That is what we have been doing. We prioritized that one, I think it's fair to say, because it was identified as the most difficult one, with a number of challenges in that particular landscape.

Caribou conservation is, of course, a shared responsibility between government, the public sector, the private sector, municipalities. You know, stakeholder engagement is a really key part of the approach. Adequate First Nations and Métis collaboration is also part of the picture.

Unfortunately, predator management is necessary right now in order to avoid the complete loss of caribou populations, which would most certainly trigger a federal action suit sooner rather than later. You know, we've had a lot of habitat changes, as we described yesterday, in terms of the linear disturbance. It's up to us to find ways to restore that habitat. That's why we've committed some funds to seismic restoration, for example, which is an important job creator in that region as well.

**Mr. Rosendahl:** Well, thank you, Minister. I can echo the fact that there's been a lot of consultation in the area, and I've been interviewed on that file as well. It's good that we're moving forward with that.

As a supplemental to that previous question I would like to know: what are the consequences if Alberta fails to meet its requirements for the federal caribou strategy? I guess the other part of it, that I'd like to add, is: where are we in the space of timeline with working on that final plan?

**Ms Phillips:** You know, I think we're in pretty good shape. Because we were able to put the Little Smoky and A La Pêche draft plans out for consultation quite some time ago, we have had really good conversations with the communities affected. We've also had a federal-provincial-territorial meeting in the interim. That has also been helpful for all the provinces to communicate with the federal government about just the great challenges in meeting the requirements under the Species at Risk Act. We will file our plans, and then it would be up to the federal government to ensure the adequacy of those plans.

**The Chair:** Thank you, Minister.

We'll now move on to the Official Opposition.

**Mr. Strankman:** Thank you, Mr. Chair and to the minister. On page 129 of the 2017-18 estimates, line 11.2, the Land Compensation Board and the Surface Rights Board, which is a quasi-judicial body that deals with the recovery of rentals under section 36 of the Surface Rights Act, I wanted to ask you. In 2015 the recovery of rentals totalled just over \$3 million, and these recoveries of rentals are paid out of general revenues. Would you agree that that's correct?

**Ms Phillips:** I believe it is. Yes, it is.

**Mr. Strankman:** Thank you, Minister.

How many recovery of rental applications for '16-17 were accepted by the Surface Rights Board?

**Ms Phillips:** I think we will have to . . .

**Mr. Strankman:** I appreciate that.

**Ms Phillips:** We have the section 36 applications. Hon. member, I have the number of new section 36 applications received by the Surface Rights Board. In 2015 the number was 765, the number in 2016 was 2,570, and the number in 2017, effective February 28, was 411.

**Mr. Strankman:** I appreciate that. Could you tell me the value of those claims?

**Ms Phillips:** The amount directed to pay pursuant to section 36(6) of the Surface Rights Act in '15 was \$1.7 million and change, roughly, in 2016 it was \$3.3 million, and in 2017, effective February 28 of this year, it was just \$1,059,000.

**Mr. Strankman:** Thank you, Minister.

Last year you budgeted \$3.6 million for line 11.2, again in the same portion of the estimates, but your forecast is coming in at almost \$9 million for '17-18. Can you tell me what the reasoning is for that?

**Ms Phillips:** In 2016 the Surface Rights Board received 3,187 key applications, conducted 253 board proceedings, and produced over 3,330 decisions and/or orders, so it was quite a bit busier than it had been in years past. Also, the '17-18 estimate is \$2.7 million lower due to a transfer to Municipal Affairs to amalgamate the administrative costs of the Surface Rights Board, the Land Compensation Board, and the Municipal Government Board. Because we had some amalgamation, some action, as a result of the review of agencies, boards, and commissions, that resulted in some savings.

**Mr. Strankman:** Minister, can you tell me where the new budget line item would come from, then?

**Ms Phillips:** It will come from section 11.2 of the operating expense.

**Mr. Strankman:** I appreciate that.

Just moving on, I appreciated your fluency regarding orphan wells, but abandoned wells also are an important part of your department. The number of abandoned wells is drastically increasing. I see that this year you are only budgeting for \$900,000 in funding. Do you feel that that is prudent with the increase of workload that's coming?

**Ms Phillips:** Thank you, hon. member. I'm going to ask Ronda Goulden. She's the assistant deputy minister of policy and planning. I don't believe we have a representative from the Surface Rights

Board here today, but Ronda can perhaps provide a little bit more clarification on this matter.

**Ms Goulden:** Can you just repeat the question about which part you're asking about there?

**Mr. Strankman:** In the abandoned wells portion you're decreasing the funding down to \$900,000. I am wondering why the decrease, because the abandoned well situation is increasing, and it could potentially get exponential.

10:10

**Ms Goulden:** Minister.

**Ms Phillips:** Yeah. Actually, hon. member, it sounds as if the forecast is due to a reduction of staff, right? Staff have transferred over to Municipal Affairs.

**Mr. Strankman:** Yeah. I appreciate that, Minister, but the thing is that the abandoned wells situation is increasing exponentially, and decreasing staff would be negative exponentially as well to the situation.

**Ms Phillips:** The decrease in staff is due to the amalgamation of the boards, so they're sharing administrative functions.

**Mr. Strankman:** I appreciate that because it's my understanding that . . .

**Ms Phillips:** Yeah. There's no actual decrease in overall staff.

**Mr. Strankman:** There's a decrease in funding, though.

**Ms Phillips:** Maybe we can find some clarification here.

**Mr. Strankman:** Sure.

**Mr. Davis:** Tom Davis, ADM, corporate services. The shift that you're seeing year over year is due to the fact that the staff have been transferred to Municipal Affairs as part of the amalgamation with the municipal governance board. It's not actually a reduction in staff. It's just no longer shown against the Environment and Parks estimates for this year.

**Mr. Strankman:** You're off-loading it to Municipal Affairs or local municipalities?

**Ms Phillips:** No. There has been some amalgamation of administrative functions within our agencies, boards, and commissions as part of overall cost-saving measures undertaken by the government of Alberta government-wide.

**Mr. Strankman:** The financial decrease will still cover the potential increase in requirements for the file?

**Ms Phillips:** I will defer to Assistant Deputy Minister Tom Davis for this.

**Mr. Davis:** Okay. What we're seeing, Chair and Minister, is that if you were to compare the 2016 budget to the 2016-17 forecast, we do see an increase there of \$5.4 million, which is due to the increase in the compensation that's been paid. That is done through a process as the year proceeds. We build in a baseline in terms of what's expected to be the compensation payments through section 36. What we've seen, as the minister has highlighted, is an increase this year in terms of that. That's why you're seeing that. That's done through supplementary estimates as we see the year go on. The funding, though, that we would see in the future, at the end of this

year, would be something that would be through the Municipal Affairs estimates because that function is moving to them.

**Mr. Strankman:** I appreciate that.

Along the questioning in regard to this same subject matter of abandoned wells, under the AER there is no biosecurity framework for some of the requirements going forward, and there is no enforcement. Minister, recently Pembina Pipeline, through acquaintances of mine, did not follow a biosecurity plan in the Sturgeon-Lac Ste. Anne area. Would it be prudent to say that this is something that should be brought forward in the department in regard to abandoned wells and/or the construction of significant projects like pipelines or major power lines? What would be your feelings regarding the enforcement of a biosecurity plan for the landowners?

**Ms Phillips:** Well, ensuring that the AER has the right kind of directives in place is a joint responsibility between the Department of Environment and Parks and the Minister of Energy. Certainly, the AER ensures that the design, construction, operation, and maintenance, including discontinuation and abandonment, of regulated pipelines comply with Alberta's Pipeline Act and the associated regulations and some of the federal pieces as well. There's a role for the NEB with respect to pipeline security and safety.

As well, I'll ask Deputy Minister Corbould to provide more detail on that.

**Mr. Corbould:** Thanks, Minister and Chair. I would just add that things like biosecurity programs and these new innovations are all things that the AER does all the time, and they review their systems all the time. We work with them from a policy perspective on those things. The specific question about a biosecurity program and AER running it on a particular location, I think, would have to be deferred to the AER or Energy for an answer.

**Mr. Strankman:** Well, I appreciate that, but, no, that's not the case, sir. The environmental protocols are the responsibility of this department coming forward, and this department has the sign-off approvals on those programs. In the case of clubroot, for example, the interconstituency transfer from one legal location to the next along the major development projects is the responsibility of this department. So I was wondering, you know, with the risk of getting in the weeds, with all due respect – there are no biosecurity protocols, and those that have been signed off by the landowners have not been enforced by this department.

**Ms Phillips:** Just as a matter of clarification, is the question, then, about invasive plant species and clubroot?

**Mr. Strankman:** No. It's regarding the reclamation of the facilities.

**The Chair:** Thank you very much.

We'll now move on to members of the third party.

**Dr. Starke:** Thank you, Mr. Chair. Once again, if I could go back and forth with the minister.

Minister, back to the business plan, pages 70 and 71, I want to talk a little bit specifically about outcome 4. The opening sentence under outcome 4 kind of jumped out at me. It says, "As forecast by the science of climate change, catastrophic events such as floods, fires and drought will increase in frequency and severity." And then there is discussion later in the section about both the two major events, of course, that we've experienced in the last five years, those being the Wood Buffalo wildfire of last year and the southern Alberta flooding of 2013. I am hearing out in Alberta, attributed to you – and I'm not sure this is entirely fair – that climate change is

the cause of these events. Is that what this document or you are stating, or is that a misinterpretation of what this document is saying?

**Ms Phillips:** It is a misinterpretation; I have never said that. However, what scientists will tell you and have been saying for a couple of decades now is that anthropogenic climate change leads to more frequent and severe weather events of various kinds: flood, drought, fire, invasive species, pests, and so on.

**Dr. Starke:** In, like you say, a general sense but not specific to specific events, then: that is what you're saying?

**Ms Phillips:** No. It's very difficult to draw a straight line, as we know. However, the fact that it is tinder dry in the boreal in May is an anomaly. It is different. Yes, fire events have happened in the past, but the kinds of different water-related and precipitation-related events that we are seeing are linked to a changing climate.

**Dr. Starke:** Okay. But the bottom line is that this correlation is not equal to causation. You're okay . . .

**Ms Phillips:** No. There is a difference between correlation and causation.

**Dr. Starke:** That's what they told me in stats class, too.

I do want to go over to page 71, the risks to achieving outcomes. I always find this really interesting. When you're doing strategic analysis, of course, risk and threats are a big part of it. I go through it, and I agree with what you have there, but I guess what I'm wondering about is what I think is perhaps missing. I'd appreciate your comments on this. One of the risks, as I see it, to achieving outcomes – and I'd appreciate your comment – is the policies of competing jurisdictions.

I specifically reference the climate leadership plan, which is a very interesting document to read from a policy perspective. In the policy architecture section it talks a lot about how Alberta's energy industry specifically is emissions intensive and also very trade exposed, and that makes it a challenge in terms of crafting environmental policy that is not going to have a negative impact on our own energy industry. I guess what I'm concerned about is: given that characteristic of our oil and gas industry would you say that the policies of competing jurisdictions, especially in the case of the United States, where it appears now with the new American administration that there is no appetite for any sort of carbon pricing architecture – do you feel that that creates a risk for Alberta and indeed in a broader context for the Canadian environment whereby we are pursuing aggressively a program of economy-wide carbon pricing?

**Ms Phillips:** You know, there's no question that we have an export-based economy. Therefore, it has a degree of trade exposure that, certainly, we don't see in British Columbia, for example. That has been, you know, sort of established by a comparative analysis done by Canada's Ecofiscal Commission. There's no question that the existence of a trade-exposed and export-based economy formed a large part of the Leach panel's recommendations to government.

**10:20**

There's some careful work that needs to be done on what actually is trade exposure, how acute it is by sector. We have more than just the oil sands sector in this province. We have fertilizers and agricultural processing and all kinds of other export-based economies. What Dr. Leach did in the recommendations, which we have accepted, is essentially put forward a package of proposals that could stand on their own but could track other jurisdictions and be

flexible enough to do that for our large final emitters and have some alignment between carbon policies.

It is also true that a lot of carbon policy comes from the state level in the United States. California is the world's sixth-largest economy, and they price more emissions than we do, and certainly their regulatory approach is far more prescriptive than ours. It is also true that China has moved to cap and trade. It's being piloted in seven massive jurisdictions right now and is going to go national by next year.

**Dr. Starke:** Okay. Good, Minister. Thank you. I guess, more specifically, I was just wondering if that was something that was being considered on an ongoing basis, and I'll take that as a yes.

Minister, I know that we are concerned about reduction of emissions here in Alberta. I mean, clearly, we have a responsibility to do that. Regardless of how large or how small our overall emissions are on a global basis, we have a responsibility for dealing with our own. I also wonder, though: is there anything in your policy architecture or policy development in terms of incenting our Alberta companies to develop technologies such that the overall climate change picture and global emissions can be reduced on a global level? I guess what I'm saying is: given that Alberta has an important but a relatively small percentage of the overall global GHG emission pie, if you like, what are we doing to try to incent our technology and our scientists to develop exportable technology that could be used to overall reduce GHGs worldwide?

**Ms Phillips:** Well, I think that that's a really good point, and it points to the fact that around the world – you know, there are some hiccups in certain jurisdictions and at certain levels of government – we see a large amount of investment in GHG abatement technology and so on. China this year is investing \$360 billion in renewables alone, and that's to say nothing of the clean-tech sector.

You know, Alberta can and should be a leader in exporting many of those abatement technologies as well, and that is why we put \$70 million last year and are working with the Emissions Reduction agency to be funding those clean-tech innovations.

**Dr. Starke:** Hasn't the CCEMF been doing that already?

**Ms Phillips:** Sorry. We've renamed it.

**Dr. Starke:** I know that, but it's still the same.

**Ms Phillips:** It's the same, so the policy approach remains the same.

Our feedback from industry is that, appropriately supported, it works. We did our last call on methane abatement, so leak detection and repair and so on. There's lots of really interesting technology work happening out there. Given that a number of states have made commitments similar to Alberta's – the government of Mexico has – there's a real opportunity for us to export that technology expertise.

**Dr. Starke:** Good.

Minister, just a slight lateral shift, but we're still on page 71, under key strategy 4.1, "a framework to address invasive species in Alberta," zebra and quagga mussels specifically. I mean, I know that we have the boat inspection program, which I'm still concerned is too porous and that, quite simply, we're still going to have this problem looming over us. I guess I'm wondering if you could provide us with additional information as to whether there is going to be additional stringency or an additional level of intensity of the inspection program. Are we getting more sniffer dogs? Are we going to put inspection agencies – I think I told you before that I

think that an inspection location in Vermilion, quite frankly, is way too late. It needs to be closer to the border because there are a lot of boats that either go north or south long before they get to Vermilion after crossing the border at Lloydminster.

**Ms Phillips:** No question that this is also a matter at the federal-provincial-territorial table, and we see Saskatchewan now investing a little bit more.

**Dr. Starke:** Finally.

**Ms Phillips:** I'll have the deputy give a bit more detail on what the upcoming boating season will contain in terms of changes.

**Mr. Corbould:** Certainly, Minister, Chair, we're doing quite a lot of work to enhance the system. We're reinforcing our success in the program. We're going to 24/7 monitoring of some of the really difficult ones like Coutts in southern Alberta. We've done an analysis based on the last two years of work we've done. We're actually not seeing a lot of problems along the B.C. border. It's all on the eastern border and the southern border. We also met recently with British Columbia and just compared plans. We're going to do the same with Saskatchewan. So lots of enhancement.

**Dr. Starke:** Thank you, Chair.

**The Chair:** Thank you very much.

As previously agreed upon, we'll now be taking a five-minute break. We'll reconvene at 10:32.

[The committee adjourned from 10:26 a.m. to 10:32 a.m.]

**The Chair:** Okay. We'll reconvene, ladies and gentlemen.

We'll now move on to the private members of the government caucus for 10 minutes of questioning. Please go ahead.

**Mr. Rosendahl:** Thank you. I'd like to switch topics now from caribou, of course, to fish. The one significant concern that I have – and many others have talked about it – in the Alberta fish populations is the increase of whirling disease. Whirling disease is a microscopic parasite that causes skeletal deformation and neurological damage. Younger fish are the most vulnerable, with mortality rates reaching up to 90 per cent. Given the challenges with the discovery of whirling disease, it's important that we try to address the problem. What is the plan going forward to try to stop the spread?

**Ms Phillips:** Well, thank you, hon. member, and there's no question that it was very alarming when the federal government found whirling disease in Johnson Lake up in Banff national park. We planned a management program around this at an average cost of \$9 million per year, which is significant new investment, but, you know, this is a really clear and present danger to our trout fishery in the province. It really has the potential to be very, very serious in terms of our ongoing angling opportunities, certainly in southern Alberta but everywhere if it doesn't get caught.

The action plan that we developed includes ongoing monitoring and sampling to properly track and detect the disease because you can't cure it, but you can contain it if you know where it is.

The second thing is an extensive public education program to curb the spread of it. Again, like the aquatic invasive species, the quahog and zebra mussels issue, the best prevention is a clean drain and dry, obviously, boats in the case of the mussels. But in the case of whirling disease one's fishing gear, waders, boots, and so on: that's really an important piece of it because that is one of the ways



that it is transported and probably the most important one. So the public education piece is really key.

We've also taken some proactive mitigation efforts, including quarantining commercial fish culture operations until facilities have been tested, and some of them have come back negative, so that's a great thing for all of us.

We're looking at legislative tools to help stop the spread, very similar to what a previous government did with aquatic invasive species. There might be some legislative or regulatory changes that can be made to ensure that some of the enforcement education pieces proceed as they should.

**Mr. Rosendahl:** Okay. Thank you very much. I know, myself, that I've brought the information to AHEIA and the WISE Foundation conference, and I reported the issue there with that as well. I also have brochures in my office, but the public consultation thing is really something that we need to continue with.

Also on the topic of the whirling disease, I guess what we would like to know is: how are the costs of the whirling disease management shared between the provincial and federal governments? Can you give us some ideas of what the breakdown is on that?

**Ms Phillips:** I think it's fair to say that it's a priority discussion point between Alberta Environment and Parks and Environment Canada. At the moment the CFIA, the Canadian Food Inspection Agency, has involvement in working with us in the facilities and the labs. They're providing personnel.

In 2017 the funding will allow for more testing, as I indicated, knowing where it is, whether we're talking about commercial fish culture operations or the ones that we publicly own and operate at Allison Creek, at Bow River. There are a few of them. Anyway, that's the danger in trying to enumerate things. You forget. But, you know, that testing is really important to know where it is so that we can manage it, and we are bearing some of those costs, and we're using those results to make management decisions to protect our fish populations.

There is no question that Alberta Environment and Parks is not in a situation where we can wait for other jurisdictions to mobilize resources. If we want to protect the trout fishery in this province, we need to move, so we have. Working with a number of different stakeholders, we've stood up the Whirling Disease Management Committee. That's been a really important piece of it, too – right? – in terms of the actual management actions on the ground. Those are undertaken by everyone from fly-fishing operators to, as I indicated, the federal government having a role with the CFIA, and the municipalities and others may have a role.

**Mr. Rosendahl:** Okay. Thank you very much.

I'd like to now move into another area of concern of mine, for sure, the environment monitoring, the AEMERA issues. Your ministry business plan on page 67, key strategy 1.2, states:

Ensure environmental protection, conservation and ecosystem integrity through . . .

- development and implementation of an expanded provincial monitoring and reporting network that supports access to scientific data and information on Alberta's ambient environmental conditions and trends and is informed by traditional ecological knowledge.

It's kind of a long-winded statement. Anyway, I was interested in knowing: when will the expanded provincial monitoring and reporting network be functional and provide results?

10:40

**Ms Phillips:** I think that we can expect that a framework by which to provide those credible and trusted scientific data to the public

will be delivered within the '17-18 budget year. We've made the commitment to audit and refine our provincial and regional ambient air, water, and land biodiversity monitoring programs. This is to ensure two things: that we've got the highest priority and quality of environmental information generated and also that it is appropriately communicated to the public in a language and in a format that they can understand and access and understand the condition of the environment. I think that it's not only important for the general public, for our constituents who may have questions, but it's also important for scientists and researchers. It's also important for municipalities to be able to plan with respect to either their land use or their area structure plans. All of those pieces are informed by good, solid monitoring. It's also really important for industry to assess cumulative effects, to assess investment decisions, and so on.

That's a real priority for us, and now that we have realized some savings by bringing environmental monitoring back in-house, which were of an administrative and board of directors kind of nature, we are focused on making sure that we've got the right monitoring in the right places.

**Mr. Rosendahl:** Okay. Thank you very much.

In continuing on with the AEMERA thing, with the rolling of AEMERA into core government business as found on page 129, line item 9 of the government estimates, can you tell us what the estimated \$75.8 million in funds will be used for and how this new set-up will create a more efficient use of the public funds?

**Ms Phillips:** Sure. Our activities include expanding and leveraging scientific capacity for planning, co-ordinating, and conducting ambient environmental monitoring both within Environment and Parks and through various external working relationships, as I discussed earlier. Those funds are also supporting appropriately addressing the advice of the Indigenous Wisdom Advisory Panel to weave traditional ecological knowledge into our monitoring, evaluation, and reporting activities, particularly community-based monitoring. It's also going towards ensuring that data – and I referred to this a little bit before – in scientific assessments for air, land, and water are publicly available through a number of different tools, including, obviously, on the web.

**The Chair:** Thank you, Minister.

We will now return to the Official Opposition. Will you be going back and forth with the minister?

**Mr. Stier:** Yes. I would, please, prefer that if that's okay with the minister. Thank you very much. Good morning, Minister, and good morning to the deputy minister and all of the staff. I see some familiar faces there. Good to see you all again.

Minister, I'd like to start out today if I could with something a little different from the past hour and a half that we've spent here today, and it's actually the Land Use Secretariat, one of my favorites. As most of you know, I'm the critic for Municipal Affairs on behalf of the Official Opposition. A lot of the things that happen in that division are related to what goes on in Municipal Affairs. I see that you have a budget, again, of roughly \$10 million in that division.

You know, we've looked at the website and all of that kind of thing with regard to regional plans, and we know that the lower Athabasca and the South Saskatchewan were completed. We're seeing on the site that the North Saskatchewan regional plan is currently in phase 1. I'm not sure if that's still accurate. I'd appreciate having some update on that because it appears nothing much has been done there since 2014, and that's all the information I have to rely on. Could I get an update on that? And can I ask as

well at the same time: can you outline the key components of the \$10 million budget for that ministry's division, please?

**Ms Phillips:** Sure. On the regional plan piece, '16-17 activities included the SSRP implementation oversight reporting amendments. We did in '16-17 on the North Saskatchewan regional plan a number of individual meetings and consultations to follow up on the process of the regional advisory council. I expect that within the coming weeks we will have more to say about that regional advisory council advice and continue that process.

Around the lower Athabasca regional plan, certainly, last year, as the hon. member probably knows, there was an indigenous review of the LARP initiated, which took up, I think it's fair to say, a lot of our department's resources in this space in order to appropriately address the concerns that were raised in a way that's meaningful and substantive. Land-use planning is, in any event, a long-term undertaking, so in order to make sure that we were adequately resourcing some of those pieces, we last year spent our time on the priority, which was responding to the LARP review.

I think that in some ways, you know, you have to set priorities within the context of fairly constrained budgets, so the priority was, really, getting our feet under us in terms of the LARP piece, and now we're going to continue with the NSRP. We've heard from lots of stakeholders that they want to get the ball rolling, and I couldn't agree more.

**Mr. Stier:** Okay. If I could, along that same line of thought, though, I hear that you've been working on other matters and so on, yet the initial terms-of-reference documents and so on and so forth with respect to the regional plan and the framework had a different timeline than what we're now seeing. What I gather you're saying is that the website currently is fairly accurate on where the North Saskatchewan plan is. Do you have some target times on completing that, and do you have also some indications from your department on what is to be done on the remaining plans that are out there, please?

**Ms Phillips:** Right. In '17-18 what we can expect on regional planning is that under NSRP we can expect the release of the regional advisory council recommendations and an online survey to respond to that, we can expect a draft plan around NSRP within this fiscal, and we can expect phase 2 consultations. Around the upper and lower Peace we can expect – because those are remaining, right? – preplanning activities, including analysis of the current state, defining division and outcomes, consultation planning for phase 1 consults, and establishment of the lower Peace regional advisory council. I will be providing support funding from the Land Use Secretariat to policy and planning. There are kind of two branches to begin that process.

Of course, the lower Athabasca regional plan is up for its five-year review, so again that piece will take up a certain amount of bandwidth, I think it's fair to say, in the Land Use Secretariat. I think it's also fair to say that we've had to engage in some prioritizing, and we had to stretch out the timelines a little bit in order to get the job done properly with the outstanding issues around the LARP.

**Mr. Stier:** Thank you for that. That's what I suspected. I suppose, therefore, that those remaining plans will take a similar amount of time, so the completion of all the plans overall, the seven regions, could be several years in the offing. Is that fair to say?

**Ms Phillips:** I'm not sure. I think it's also, really, fair to say that we've learned a lot from the SSRP process and from the LARP, and the issues are different. The populations are different. As the hon.

member knows, the water issues are much, much different in the SSRP than they are in some place like the upper or lower Peace.

**Mr. Stier:** I don't mean to rush you, Minister. I only have so many minutes of time myself here today.

What I would like to get to as well, though, and mention: as the minister knows and the staff, I'm sure, we worked with the Municipal Government Act last year to a great extent, and a lot of the activities in those debates were regarding the need for modification to municipal development plans, intermunicipal development plans, all of these things, which are to reflect the thoughts and goals and objectives and policies of the regional plans. It's kind of hard for that to happen without the regional plans being completed. Are we then, therefore, going to expect municipalities in those areas where the regional plans are not completed to rely only on the old land-use policies from the late '90s as a guide?

10:50

**Ms Phillips:** Yeah. I think it's an iterative process in places where the regional plans are not – in any event, regional plans are living documents. They change over time, amendments are made, and so on.

Is there anyone from the Land Use Secretariat here today? There was yesterday. Okay. We can undertake to provide you, hon. member, with how it works, if you will, how that basket of issues works, in the absence of a regional plan.

**Mr. Stier:** Yeah. My background includes working with the old land-use policies, and I believe, as part of the Modernized Municipal Government Act debates, the old policies were mentioned as the alternative. I just wondered if there was any communication with the Ministry of Municipal Affairs in regard to that. If we're kind of grinding to a little bit of a slower pace with the regional plans, there seems to be a little bit of a missing link in that situation, and I wanted to draw it to your attention to see what comments you might have.

**Ms Phillips:** Yeah. I would be happy to share information on how the process is moving and any more detail as we have it on timelines with respect to the outstanding regional plans.

**Mr. Stier:** Okay. As you might have expected, I have just a couple of questions on the Castle if you don't mind, Minister. I was pleased to have spent a good deal of time with the deputy minister here a couple of weeks ago and got a great insight on what is intended there, and I appreciated that information so much.

Line 7.5, page 131, talks about the Castle management plan. I think you have about \$48 million for capital projects overall in the parks world. I'm just wondering how much of that is budgeted for the Castle, please, if you have that information.

**Ms Phillips:** This budget year it is \$7 million, and additional commitments will flow from the finalized management plan. Those initial investments are in, essentially, refurbishing existing infrastructure, ensuring that we've got, you know, sort of trail staging, those kinds of things, doing an inventory of assets, ensuring that we've got refresh on some of the shelters, toilets, that sort of thing.

**Mr. Stier:** Okay. Thank you.

A lot of people in the area are wondering, as I'm sure you and the deputy minister know, about potential new facilities, buildings, et cetera. Is there some money in there for that? Are there any new facilities intended within the park boundary, or are we going to leave those to the local communities to provide?

**Ms Phillips:** I think it's fair to say that a visitor information centre and some investment in the Blackfoot offering site – but it would be a temporary visitor information centre – are in the offing right now. We can provide you that list.

As for other fixed roofs, that is part of the management plan. I don't anticipate it will be a large number of new fixed roofs. It would look more like K Country.

**Mr. Stier:** Thank you so much.

**The Chair:** Thank you, Minister.

Okay. We'll now move on to members of the third party once again.

**Mr. Fraser:** Thank you, Mr. Chair. Minister, can you tell us whether or not cost-benefit analysis will be part of green funding of certain, as you would put it, packages of proposals?

**Ms Phillips:** Yes. I think near-term greenhouse gas emissions reductions are at the forefront of the investment of these dollars, whether that's working with our partners in the private sector or in the GOA-related infrastructure or sort of quasi-government infrastructure and the municipalities, universities, schools, hospitals, sort of the MUSH sector.

**Mr. Fraser:** Right. So who administers that? Is that an in-house task, you know, or is it sent out of house so that Albertans can be sure they're getting good value for their money when you're subsidizing certain projects?

**Ms Phillips:** Sure. Good question. It really depends on what we're talking about. If we're talking about municipalities, right now the current investments in energy retrofits and municipal PVs are being administered jointly. We fund it, and the AUMA and AAMDC fund it a little bit. As well, it's called the MCCAC. They have a set of criteria that they use in terms of GHG abatement and cost and bridging some of those gaps and, you know, the sort of priority investments to make in terms of realizing savings for municipal taxpayers. So that's that program.

Growing Forward 2. The additions that we've made to that, on-farm solar PV and on-farm efficiency, are done by the folks that are already administering the existing Growing Forward 2 program, which is over in Agriculture and Forestry.

If there are specific projects such as an upgrade to Mount Royal University – I think there were some heating and cooling upgrades happening there – those are based on, essentially: is the project happening anyway, but do we need to bridge a gap to a significantly more efficient way to undertake, you know, either HVAC or whatever the situation is, is it a project that's moving along, and is the greenhouse gas emissions reduction measurable and reportable and verifiable?

**Mr. Fraser:** Okay. Now, in terms of who has the final say on whether a project goes forward or not, is there a process that you work through within your government that eventually makes its way to cabinet? Essentially, who has the final say on whether projects go forward or not?

**Ms Phillips:** There is a cabinet process, certainly, but again the determination of whether something gets funding under these early-stage programs relates back to what kind of program it is, whether it's a municipality or whether it's government taking care of its own infrastructure or whether it's some of the programs for nonprofits or others. As we move toward standing up the Energy Efficiency agency, a lot of that expertise and evaluation and criteria will be

housed within that Energy Efficiency agency, which are the kinds of programs that ordinary people or nonprofits or small business might avail themselves of. That's how energy efficiency programs are delivered in other jurisdictions, and we're following, you know, the advice of the energy efficiency expert panel on that in terms of what programs come first, second, third and also what the performance metrics are.

**Mr. Fraser:** Right. I know that you were at the Paris climate change summit. It's a two-pronged question. From a political perspective, what's politically sustainable to encourage green investment and regular investment in the province when you're coming up with policies around green initiatives and then also economically sustainable? Is there a place in the world that you look to to form these policies – i.e., best practices – to implement here in Alberta, or is it a catchment of areas and you try to pick the best? How do you get to those points? Hopefully, you can answer that.

**Ms Phillips:** Certainly, around energy efficiency there are lots of jurisdictions to look to in the industrialized world given that Alberta is the only place in North America without an efficiency strategy. There are lots of lessons learned and so on.

As for the larger industry questions, I think that it's quite difficult, actually, to draw comparisons between Alberta and other places just because we are such an export-based economy, as we discussed. You can learn a great deal from talking to other jurisdictions, which is one of the reasons why I go on these trips even though everyone who knows me knows that I don't like to travel away from my kids. You learn a lot when you engage with other jurisdictions at that. We have joined the Compact of States and Regions, and that table is a number of subnational jurisdictions from all over the world. Around efficiency, adaptation, industrial policy, coverage of carbon pricing, all of those things, there are just so many different things happening out there in the world that I think it's important for us to learn from that. Certainly, the efficiency expert panel also did a number of interjurisdictional comparisons, so it's not just me; it's the experts that we have asked to deliberate on these matters that have also done a lot of that comparison.

**Mr. Fraser:** Right. Kind of again in that same vein, in your business plan on page 69, in the economic diversification piece and performance measures, key strategy 2.2 mentions jobs from green technology. There don't seem to be any corresponding performance measures to track your progress there. Why is that?

**Ms Phillips:** Yeah. You know, I think that's a fair point, and I think that as we move forward with some of the expansion or deliberating on how we might expand the innovation and technology space for Alberta and for Alberta companies, looking at ways that Emissions Reduction Alberta, the old CCEMC, can expand its work, the role of Alberta Innovates, now that Minister Bilous has amalgamated the various organizations into one and had some restructuring there – at that point I think we will be sort of ready to put forward some performance measures on that. Certainly, Emissions Reduction Alberta does, in their business plan and in their annual reports, do quite a bit of reporting on the number of projects they fund and the outcomes from those projects, whether it's GHG abated, technologies created, and so on.

11:00

**Mr. Fraser:** Right. Again, just kind of on the cost-benefit analysis and that sort of thing, what studies have been done to track the impact of real jobs versus expected jobs? I guess, for example, if you look at the new technology around wind farms, they're much

taller and they're much more efficient comparatively to the ones that are now being taken down by certain companies, so they will require fewer technicians. You know, is there some foresight to that? As the technology gets better, you are less likely to need more people to operate them.

**Ms Phillips:** Well, certainly, in wind energy there are technology changes, but there are also technology changes around being able to monitor what the turbines are doing. It's a high level of expertise in that area. We toured some of the technology that they use to do that with GE, and those are very high-skilled jobs in terms of the monitoring of what's going on out there on the landscape.

I think it's also fair to say that, certainly, there's lots of work in the development of wind energy across the province and in the revenue base for landowners and an ability for farmers to make the economics work and to sustain those rural communities. We've seen that in Vulcan and in Carmangay, in Wheatland county, elsewhere. There's far more than just wind out there. Certainly, there's lot of interesting and exciting activity happening in methane abatement. That's an area where Alberta has undertaken pretty ambitious reduction targets, and there are lots of companies out there right now deploying new leak detection and repair technology and putting oil and gas workers to work, which is exciting.

**Mr. Fraser:** Right. Would it be fair to say that in the future we may be able to see in a line item or as part of the business plan, you know, some sort of tracking of the number of jobs and how they're related to certain green technologies, again, to report back to Albertans that your policies and your initiatives are working or aren't working so that you can make changes and adapt?

**Ms Phillips:** You know, I think that's really a fair comment and a fair undertaking for us as a climate change office and potentially – I'll go around committing other ministers to work – through the Department of Economic Development as well. We've already seen, for example, Calgary Economic Development put out a report very recently around the economic impact of green energy and efficiencies in that city, and they've also projected some growth there.

**Mr. Fraser:** Thanks, Minister.

**The Chair:** We'll continue with our rotation.  
Please go ahead, Mr. Rosendahl.

**Mr. Rosendahl:** Okay. Thank you, Mr. Chair. I'd like to share our time equally with the minister if that's okay.

Again, Minister, I'd like to continue on with a discussion about AEMERA and the air monitoring concerns. I'll start on page 129, line item 9.2, oil sands environmental monitoring. The estimates show \$52 million for the oil sands monitoring. Could you please provide me with details on what these funds will be used for?

**Ms Phillips:** Sure. Thank you, Member, for that question. Funds for oil sands environmental monitoring programs go towards monitoring atmospheric substances; monitoring concentration levels and trans of chemical substances of concern in watersheds; monitoring biotic response in relation to oil sands development; monitoring physical land, landscape disturbances, potential effects on ecosystem, components valued, certainly, by indigenous communities; and monitoring related to wetlands, ecosystems. That's, I guess, the overview of the types of oil sands monitoring that happens.

**Mr. Rosendahl:** Okay. Thank you very much.

We know that the government was expecting to experience some cost savings with AEMERA rolling into the government's core business. Consequently, has the government achieved the expected cost savings by putting AEMERA's work into the department? That's question 1 on that. The other question is: where were these savings found?

**Ms Phillips:** Sure. Thank you, Member. The savings were found in the administrative transfer of staff and functions into the government of Alberta. We found savings in the costs associated with the board of directors and in the costs associated with the executive team salaries and benefits.

For the numbers I will defer to Deputy Minister Corbould.

**Mr. Corbould:** Yeah. It's approximately \$6 million in savings in the first year that it was made, which is essentially what had been estimated last year when we did the transition. I can give you some specific examples. For example, in the building that AEMERA was in, half of the floor space was no longer required because, you know, we reduced the size of the executive as part of the transition. That space is now being used by a different department, and we were able to sublease it. Those are examples of specific savings that were made.

We also expect as we go into the future that because there is a desire to expand the monitoring throughout the province, we also will invest some of the savings over time into the expansion of the monitoring network across the province so that we can monitor more things, which the minister alluded to earlier in some of the presentation.

**Mr. Rosendahl:** Thank you very much.

As a supplemental, then, to that, will there be opportunities for further savings as AEMERA is fully incorporated into Environment and Parks in future budgets? We're looking for long term, I guess.

**Ms Phillips:** Yeah. I think there's a balance here. We need to look for opportunities for savings, but at the same time we need to ensure that our monitoring program is credible, that it has the resources that it needs, and that it is responsive to communities, to indigenous peoples, to industry, and to other stakeholders. Opportunities for further savings will come as we are aligning more of our resources and aligning some of the internal scientific capacity and as we rationalize some of the programs. I think it's fair to say that there will be savings available on a ministry-wide basis because we do have other types of monitoring happening throughout the department, and as we rationalize some of that, we will be able to find savings, we anticipate.

However, we also have identified ways that we can expand monitoring, as the deputy was indicating. As we realize some of those savings, we can potentially expand it into other priority areas to make sure that we are as responsive and as credible as possible in this monitoring division.

**Mr. Rosendahl:** Okay. Thank you.

**Ms Phillips:** My deputy has one more point to add.

**Mr. Corbould:** Thank you, Minister and Chair. I would just add that the chief scientist is also undergoing a scientific rationalization process both internally in the department and externally with all the agencies and other people throughout the province that do air monitoring. That's all about, again, looking for more potential savings that we can reinvest in more monitoring.

**Mr. Rosendahl:** Okay. Well, thank you very much.

The next question is referring to page 67 of the ministry's business plan. When we look, it's the fourth bullet down that I'm referring to:

- development and implementation of an expanded provincial monitoring and reporting network that supports access to scientific data and information on Alberta's ambient environmental conditions and trends and is informed by traditional ecological knowledge and the independent Science and Indigenous Wisdom Advisory Panel recommendations.

The question is concerning that panel. I'm interested in knowing: will the recommendations informed by the use of indigenous knowledge then be made public based on this panel?

**Ms Phillips:** Thank you, Member, for that question. The short answer is yes. Right now as the programs are developed and as these initiatives move forward, we'll be making them public on [environmentalmonitoring.alberta.ca](http://environmentalmonitoring.alberta.ca). There is a joint meeting of the Science Advisory Panel, which is also established in the legislation, and the Indigenous Wisdom Advisory Panel this spring. Once the panel has issued its formal advice to the chief scientist, a public summary will be created and released.

11:10

**Mr. Rosendahl:** Okay. Thank you very much.

I'll now turn the next set of questions over to Member Kazim.

**Ms Kazim:** Thank you very much. I would like to ask about agencies, boards, and commissions. I would like to talk about, basically, how these relate to Environment and Parks. There are significant savings listed within the ministry's quasi-judicial bodies on page 129 of the government estimates. What's the cause of this?

**Ms Phillips:** As a result of our government-wide review of ABCs, as I alluded to earlier, our Surface Rights Board and the Land Compensation Board will be merged with the Municipal Affairs Municipal Government Board and the New Home Buyer Protection Board. Until the amalgamation is complete, the Minister of Environment and Parks is accountable for the SRB and the LCB, and there will be a \$2.6 million per year transfer in the operating budgets of the SRB and LCB to Municipal Affairs to provide adequate support to Municipal Affairs as they lead and implement the amalgamation of these two boards with MA's two boards. As the amalgamation progresses, board governance and membership will be assessed, and that will potentially result in additional operating costs savings, that will then be realized by Municipal affairs. The decision to have a single chair for all four boards has resulted in cost savings, and there will be others.

You know, the reason for this was that the files that are examined by the Surface Rights Board and the Land Compensation Board and the two boards over in MA are of a very similar nature in terms of the quasi-judicial process that they undertake. So it was determined that this would be an important savings for the taxpayer but would retain the accountability and service that Albertans expect.

**Ms Kazim:** Thank you very much, hon. minister.

I was also quite curious in knowing: why are the department's quasi-judicial boards still listed separately on page 72 of the ministry's business plan?

**Ms Phillips:** Sure. So the initial cost savings are largely from this first phase of amalgamation, and in this first phase each of the boards remains distinct as defined by the legislation but is sharing its facilities, resources, and administration, as was discussed earlier. Further phases of the amalgamation will have to include the

legislative changes to shift accountability for SRB and LCB from AEP to Municipal Affairs.

The second phase of the amalgamation, however, will take place following an assessment of how well the shared administration has worked and will confirm the feasibility of continuing with that legislative amalgamation.

I think it's fair to say that Albertans want to continue to see a good level of service from these boards, and we want to make sure that we don't have any unintended consequences because it is so important to maintain the integrity of our quasi-judicial boards.

**Ms Kazim:** Thank you.

**The Chair:** Thank you very much.

We'll carry on with the rotation, moving over to the Official Opposition.

**Mr. Loewen:** Thank you very much. Now, Minister, yesterday morning you brought up an egg farm in southern Alberta that had achieved the status of net zero emissions. I was wondering. Did Environment and Parks provide any money for this project?

**Ms Phillips:** That project I believe was funded under Growing Forward 2. We, of course, enhanced the funds for Growing Forward 2 from the climate change and emissions management fund.

**Mr. Loewen:** Okay. Any idea of the cost on that project?

**Ms Phillips:** No, but I believe it's publicly available, or one could ask the colony.

**Mr. Loewen:** Could you undertake to provide that for us?

**Ms Phillips:** Yes. I suppose we could.

**Mr. Loewen:** Thank you.

Okay. Now, line 10.3, page 129, green infrastructure. Would you please undertake to provide a comprehensive list of the projects that are being funded through green infrastructure?

**Ms Phillips:** Yes. We can undertake that.

**Mr. Loewen:** Thank you very much.

Okay. Now, when it comes to the residential no-charge program we discussed yesterday, I understand, based on the bids, that the \$21.5 million was done based on a certain number of homes and apartments and that sort of thing. I'm wondering: if it was planned for X number of homes and apartments and that sort of thing, what happens if more apply?

**Ms Phillips:** I think that at that point, then, we will have to reassess the budgetary allocation and respond accordingly. That is work that we will undertake. Certainly, there's been a great deal of enthusiasm around these programs. We've had a little over 86,000 sign-ups so far, approximately half of which are in Calgary. Clearly, Albertans are excited about saving money, about learning more, and we will have to assess over time, just as other jurisdictions do, in terms of what is provided within the residential direct install programs. Certainly, over time other jurisdictions provide different products. Certain changes are made, and then it's different products. We've seen this in the Hat Smart program in Medicine Hat, for example. These are assessments that we will undertake over time as Albertans avail themselves of these programs.

**Mr. Loewen:** Okay. Basically, from looking at the bid proposal or the bid sheets here, it was planned for about 70,000 homes. You say that there are 87,000 already signed up, and obviously this program,

as you said yesterday, goes on for a year, so more could sign up. That would mean that obviously the \$21.5 million is not accurate anymore. It will be substantially more than that.

**Ms Phillips:** Certainly, we will continue to assess the uptake of the program and the ability of the current contract to meet the needs of that program and other programs. The residential rebate program begins in the coming weeks. The business, nonprofit, and institutional program and the follow-up on the nonprofit audit program: there's just been a tremendous amount of enthusiasm for all of these things. There's a lot of pent-up demand.

**Mr. Loewen:** Again, I just want to clarify that obviously with that amount of uptake on it, the cost will be going up.

**Ms Phillips:** You know, I think that I'm not going to engage in hypotheticals right now.

**Mr. Loewen:** Actually, you know, according to the bid it said about 70,000 homes: about 50,000 private dwellings and 18,000 some-odd apartments, condos, that sort of thing. That's 70,000. If you say that it's – what did you say? – 87,000 right now . . .

**Ms Phillips:** It's approximately 86,000.

**Mr. Loewen:** So we're not dealing with a hypothetical anymore. We're obviously over. If the bid that was made was based on the number of 70,000, then obviously we're over. Are we dealing with hypotheticals, or do we have a reality here? At what point will you admit that the reality is that this price is going up?

**Ms Phillips:** Well, you know, I think we have 86,000 sign-ups so far, and we'll have to see what can be accommodated within the current contract and evaluate it over time.

**Mr. Loewen:** So you're suggesting that Ecofitt may do more than what they've suggested in the contract for the same price?

**Ms Phillips:** I think we'll have to evaluate it as it comes, as other jurisdictions do with residential direct install. You know, these programs prevail in many, many jurisdictions throughout North America. They, too, have to change over time.

**Mr. Loewen:** We're not talking about them; we're talking about Alberta.

Anyway, let's carry on, then. Page 67 in the Environment and Parks business plan talks about:

- contribution to Canada's international commitment that at least 17 per cent of terrestrial areas and inland waters are conserved through networks of protected areas and other effective area-based measures.

Where are we at in that as far as Alberta's contribution to that? Where are we going with that? It's obviously in your plan, so what's your plan?

**Ms Phillips:** Yeah. Of course, there's a federal commitment through the IUCN, and Alberta is actually in relatively good shape, on an overall basis, in terms of the percentage of the land base protected, certainly once one counts the proposed wildland parks within the lower Athabasca regional plan. I think the plan, going forward, is to find ways to get to that 17 per cent. I believe we are somewhere in the neighbourhood of 13 now. Of course, the challenge is on a subregional basis. Yes, Alberta-wide we're at 13, but, you know, our grasslands are not in as good a shape in terms of protection of intact habitat as the boreal is.

11:20

You know, that's one of the reasons why we've been working with ranchers and private landowners, to achieve some level of protection. We've had a look at the heritage rangelands, as established under the South Saskatchewan regional plan, and we're looking for ways that we can work with grazing lease holders and others to protect those areas, working with the federal government as well.

**Mr. Loewen:** Okay. Well, let's move on, then. Also on page 67 of your business plan, 1.6, it talks about the "development and implementation of a feral horse management plan." What is your plan there? What do you foresee going on in that development?

**Ms Phillips:** We did not undertake removal of feral horses in the 2016-17 capture season. We are developing a long-term management strategy to make sure that we are ensuring the long-term health of rangelands while understanding that there are a number of complex and competing needs.

It is concerning that some of these populations have grown to a level where there are reports of, you know, feral horses harassing workers at the local gas plant near Sundre. It is concerning in terms of the feral horses' impact on grasslands, certainly, and the difference that feral horses introduce onto the landscape. That is different than cattle or bison and elk in terms of their impact on vegetation, on native grasses, and so on. Because year-long grazing by feral horses does weaken the native plants – at least, that's what the preliminary science shows us – looking for ways that we can have a long-term management plan is something that we are doing on this file. I remain concerned about feral horses introducing invasive weeds, aggressive agronomic species, and the pressure that that puts then on ranching economics in the area.

**Mr. Loewen:** Okay. Sounds good.

Going on to page 69, outcome 2, it talks about: "Albertans wish to generate economic diversification through a green economy that improves human well-being and social equity." What's your definition of social equity? How do you foresee that happening?

**Ms Phillips:** You know, I think it's fair to say that, for example, in our investments in indigenous communities with respect to the climate leadership plan it's important for us as a government, given that we have made commitments under the UN declaration on the rights of indigenous peoples, to ensure that as we move forward with diversification efforts, we are appropriately involving indigenous peoples from the very beginning.

**Mr. Loewen:** So are you saying that social equity has to do with the indigenous people, or does it go beyond that?

**Ms Phillips:** I think that's one example. I think another good example is that when we are looking at our investments in training and new job areas, we consider the effect on women, for example, and that women have access to those construction jobs as well.

**The Chair:** Thank you, Minister.

We'll now move on, continuing the rotation to the third party.

**Dr. Starke:** Well, thank you, Mr. Chair, and thank you to the minister. I want to explore a different section now. If you go to page 121 of the fiscal plan, under the fiscal plan tables – it's the section on full-time equivalents – I notice that the Environment and Parks department has had the second-largest increase in full-time equivalents of any department in government, a 72 FTE increase over last year, and that is even after a number of FTEs were transferred over

to Municipal Affairs with the Surface Rights Board. I guess my first question is: how many FTEs were transferred to Municipal Affairs as a result of the transfer of the Surface Rights Board?

**Ms Phillips:** Hon. member, that was 22. But of the new FTEs, many of them were in monitoring as we brought the monitoring division back into the department.

**Dr. Starke:** Right. So if we say that 22 were transferred out to the Surface Rights Board, then the actual number of increased positions is actually 94 in Environment and Parks. Would that math be correct?

**Ms Phillips:** Yeah. There are 94 new, partially offset by a reduction of 22, and we've established new positions in caribou management, the whirling disease piece, some of the new parks and protected areas pieces, and the environmental monitoring and science division.

**Dr. Starke:** How many of those 94 positions would be in the climate change office?

**Ms Phillips:** None of the Environment and Parks FTEs.

**Dr. Starke:** So that's strictly kept in a separate line item? I'm sorry. I may be missing that here on the page.

**Ms Phillips:** I will ask Assistant Deputy Minister Tom Davis to provide the clarity on that, please.

**Mr. Davis:** Thank you, Chair and Minister. The climate change office was established last year. We have not seen an increase in terms of the overall FTE count from last year to this year.

**Dr. Starke:** Okay. I guess there may be two things that I would ask for, and you don't have to provide it verbally right now. If I could get this in written form. The first is if I could get a breakdown of those 94 positions, the new positions: how many are for whirling disease, how many are for caribou management, how many are for increased monitoring, that sort of thing. The second part of it – and this is a question I get out in the field quite often – is: what are the total number of FTEs to administer the climate change office, and what is the administrative cost? I can't find that anywhere in the documentation here. There's a lot of indication of what the cost of administering the climate change plan is – and that's fine – but not on the administration of it, so if I could get that. And you don't have to provide that right now. If we could get that in writing later on, that would be great.

**Ms Phillips:** We have it right now, but around the climate office there are a few other pieces. We inherited a number of staff, and the administration, for example, of the levy rebates is through Treasury Board and Finance and the Canada Revenue Agency.

**Dr. Starke:** Right. That's who's sending dead people cheques.

**Ms Phillips:** That's the Canada Revenue Agency.

In the climate change office itself you will find an emphasis on measuring, reporting, and evaluation, those kinds of roles, some of the more technical engineering work around our large final emitters, those kinds of undertakings.

**Dr. Starke:** Okay. That's great. I appreciate that. Like I say, if you could provide – and it doesn't have to be now – a breakdown of the overall positions and where they're all going. Don't get me wrong. I recognize the need for people to undertake the important areas, the whirling disease, that was talked about here a few minutes ago.

On the topic of whirling disease, I am concerned. One concern that we've had brought forward is with regard to the effect that it has, obviously, on our wild fish populations, but we also have farmed fish and farmed fish operations, and these are increasing. Is there funding available to any of these operators with regard to control of the disease in their facilities?

**Ms Phillips:** Thank you. We have also heard those concerns, and we're undertaking a process of speaking with them and finding ways to ensure that their business has not been unduly disrupted.

The deputy has a point to make on that.

**Mr. Corbould:** The only thing I'd like to add, Minister and Chair, is that it's like DRP in some cases. There's an insurance aspect to this that has to be reviewed and considered.

**Dr. Starke:** Fair enough.

**Mr. Corbould:** That is one of the things that we're sort of analyzing with each different operation.

**Dr. Starke:** I'm going to mention one other thing about whirling disease before I move on to another topic, and that is that one of the very popular activities on the Bow River is what I call informal or unstructured rafting. Sometimes it involves a certain amount of consumption as well, but we'll get into that later. One of the concerns that I have about that is that this may be a group of individuals for whom it's a little bit hard to get the wash and dry, the whole thing with your boat, but in fact the transmission of the parasite can be done with a rubber dinghy just as easily as it can be done by a motorboat. I'm just wondering if there's any strategy in terms of addressing that, you know, somewhat challenging group of users.

**Ms Phillips:** Yes, the folks that I believe Mayor Nenshi indicated were subject to the Darwin awards during the 2013 floods for floating down the river.

Deputy Corbould has some additional points to make.

**Mr. Corbould:** Thank you, Minister and Chair. We do actually have a very deliberate strategy where we're working with outfitters and other recreational users of the Bow River in particular. The idea is to create and build cleaning stations at each of the major inputs and outputs – Fish Creek, Policeman's Flats – and of course we're co-ordinating with Calgary as well to do the same thing in their jurisdiction. I'm not sure that that will all get in place this year, but we want to start that process as well as add proper bathrooms and make sure that that fishery is really professionalized in terms of outfitter use and public use and also enforced.

11:30

**Dr. Starke:** Yeah. It's a really popular fishery, and it's a very informal one, a very unstructured one at the current time. I mean, that's, I think, part of the popularity of it, quite frankly, so that's a balance that has to be struck.

Minister, I don't want to put too fine a point on this, and I don't want to make it sound like it's a really big deal, but I have to say that you have the largest entourage of support staff with you, yesterday and today, of any set of estimates that I've ever attended. By my count, you had 30 officials in the gallery yesterday with you, and today you have about 26. By my math that indicates 168 hours of staff time just to attend estimates; plus, I know that there's a lot of involvement and additional prep time. I guess I have a concern about that. To me, that's a reflection of a significant amount of resources being used. I'm not saying that they're being misused, but I am saying that it is a significant amount. I guess what I would

appreciate from the department is an aggregated estimate of the total amount of staff salary that is being tied up in estimates attendance as well as estimates prep time.

**Ms Phillips:** I think I'll defer to Deputy Corbould for that.

**Mr. Corbould:** Certainly. Thanks, Minister and Chair. We can endeavour to get that answer to you. It's not as much as you would think because a lot of these things are already written, and it really is a lot of collating in one particular division. But we can get that for you.

In terms of who's in the gallery, that is absolutely my accountability, and I do it because it's for professional development and working on the succession planning of the public service. Every one of these people in the background could potentially be in this chair or my chair, so we want them to understand how this works and their involvement.

**Dr. Starke:** Deputy, I don't mean it as a criticism. I truly don't. I understand that, especially with your background, you want to know who the next colonel is going to be, so you want to develop that next generation of leaders. I'm fine with that. I'm just saying that it's my observation – that's just from me – that it's a larger entourage than I've seen at any other set of estimates. You know, if that's your leadership style, that's fine. I have a lot of respect for it.

One final question. I know that we're running really short on time. Yesterday there was a brief discussion about biomass, and I'd appreciate somebody getting back to me on the whole situation of the involvement of the Department of Environment and Parks with the wood shavings situation that we're seeing right now in the province of Alberta. We're in a situation where we could be approaching an agricultural crisis because the white product, the wood shavings product from a lot of our mills, is being bought up by a specific producer of pellets, and these pellets are being exported to China, primarily for power generation in China. The problem that it's creating is that these wood shavings actually give our agricultural industry a huge leg up. They're a huge competitive advantage because from an animal welfare standpoint – for dairies, for chickens, for poultry production, for our high-level equine facilities like Spruce Meadows and Cavalia – these wood shavings are the preferred bedding for all of these situations.

If all of these wood shavings are pulled out of the market – so my question, very briefly before my time runs out, is: what has been the involvement of the Department of Environment and Parks with regard to Pinnacle pellet and their operations, as they're going to be establishing, I believe, in the town of Entwistle?

**Ms Phillips:** The climate change office, that runs the bioenergy program, will get back to you.

**Dr. Starke:** Okay. Thank you very much.

**The Chair:** Thank you.

Now we'll go to the private members of the government caucus. Please go ahead.

**Ms Kazim:** Thank you, Mr. Chair. I would like to ask about the department's overall statement of operations on page 72 of the business plan. Excluding the climate leadership plan spending, what is the overall variance in the Environment and Parks budget from the previous year's budget?

**Ms Phillips:** The difference from 2016 to 2017 is an increase of \$356 million, which is primarily due to significant investment in the climate leadership plan. Without increased investments associated

with the climate leadership plan, AEP's budget is \$546 million, and the CLP initiatives for this year are things like the bioenergy program, as discussed, energy efficiency, innovation and technology, and so on.

Hon. member, we do have one correction to make to the record – I'm wondering if we can do that now – with respect to a question that was asked earlier. If Assistant Deputy Minister Sandra Locke could provide some clarification on one matter.

**Ms Locke:** Thank you, Minister and Chair. Earlier this morning we were talking about the number of bidders and how the successful contractor for the no-charge energy savings program fit in the cost. I indicated they were the second-lowest bidder. That was incorrect. They're actually the third-lowest bidder, but the second and third were very close together; hence, the confusion. I'd just like to point out that they were still half the price of the next bidder and a third of the price of the highest bidder. My apologies for that.

**Ms Kazim:** Thank you.

**Ms Phillips:** Thank you.

**Ms Kazim:** We know that we are still recovering from the downfall in the economy. How have cost savings been achieved to accommodate a leaner budget? What specific measures have been taken?

**Ms Phillips:** We've undertaken a few things. We've certainly seen operational savings in 2016. We've seen a government-wide reduction in the employer contribution to the management employees pension plan. In most of the divisions that has resulted in about a 2 per cent reduction in operating expense, which is excellent. We've also undertaken hiring restraint. A number of positions remain vacant. Of course, we are addressing specific pressure points on the landscape, as we discussed with whirling disease and a couple of other initiatives, through the addition of some FTEs, but overall we've been able to keep our budgets relatively constant. We've also been able to realize some savings on things like hosting, choosing government venues for meetings and conferences rather than, you know, renting a hotel room. Those kinds of initiatives have begun to realize savings as well.

**Ms Kazim:** Okay. That's good.

As a supplemental, have cost savings in operations impacted the core services of Environment and Parks?

**Ms Phillips:** Well, I think it's fair to say that we've realized some reductions, whether it's through the rationalization of environmental monitoring and the other initiatives that I described, while maintaining our core services and, in fact, reorganized a few priorities so that we can enhance some of our core services as Environment and Parks within the existing budget. An example I'll give there is enforcement. You know, people – municipalities, ranchers, hunters, anglers – have asked for more enforcement, whether it's on the fish and wildlife side or with conservation officers, park rangers, and other public lands enforcement activities. We've been able to meet those needs and increase those budgets through the deputy reorganizing our priorities within the department and ensuring that we are being responsive to the unanimous stakeholder ask for more enforcement on the landscape.

**Ms Kazim:** Okay. Great.

I can't seem to find any specific numbers in the budget estimates regarding FTEs, but with the introduction of new FTEs, can you please explain why these positions were necessary and where they



will be concentrated? Are they accounted for under the reintegration of science and monitoring functions?

**Ms Phillips:** Many of them are. We've seen a reduction of 22 FTEs through the transfer to Municipal Affairs. We've seen an additional 26 FTEs coming into the department as a result of the work around the monitoring. We have seen some increase in FTEs due to the two additional undertakings of the department, which are the response to whirling disease in our fishery and the caribou management work, that requires some additional expertise to make sure we get those federal range plans filed in time.

**Ms Kazim:** Okay. Have there been changes to shared service agreements within government that have changed the bottom line of any budgetary items?

**Ms Phillips:** We have had an increase government-wide in internal government transfers. That's a \$75 million increase due to a change in the way public-sector accounting standards for reporting on shared service agreements within the government of Alberta proceed. Ministries with shared service agreements – and we are one of them, certainly, because we provide corporate services to Status of Women as well, for example – must now gross up all their revenues and expenses as well as recognize the transfer of assets and liabilities by both the provider and the recipient. The increase reflects the change in accounting policy. It's being implemented on a prospective basis. It ensures that the '17-18 estimates adhere to the Canadian Public Sector Accounting Board standards. The policy change is not unique to just one ministry. As you will see in the review of estimates of ministries, other ministries have similar shared service agreements.

11:40

**Ms Kazim:** Okay. Great.

Is it possible to shed a little bit of light on how it is actually helping to diversify our economy in terms of creating more jobs in that particular sector of Environment and Parks?

**Ms Phillips:** In terms of the FTEs we can certainly conclude that responding appropriately to whirling disease will prevent, potentially, or help to prevent a catastrophic loss to the fishery, and we must respond – it is on the level of, you know, bovine tuberculosis, for example, in cattle in terms of the threat to the populations – if we want to have an intact fishery, a trout fishery in this province and prevent kind of a quite catastrophic event such as happened to Newfoundland with the cod fishery. A little bit different, obviously, in terms of its scale, but the threat to those fish is real, so we have to respond. The consequence of doing nothing would be a quite high cost, indeed.

As for the accounting principles, I don't know, hon. member, if that's what was being asked about, but that is simply a result of changing an accounting practice. It has no real, material effect on numbers of FTEs. In fact, it has no material effect on numbers of FTEs or the number of GOA staff, for example.

**Ms Kazim:** Okay. Great. Thank you very much.

**The Chair:** Okay. Thank you very much.

Now we'll move on to members of the Official Opposition.

**Mr. MacIntyre:** Thank you. I don't want to go back and forth this time. I have a number of questions that are all similar. I don't expect that you're going to be able to provide me with the technical information I'm asking for today, so if you wouldn't mind undertaking to provide it to me, I'd appreciate that.

On page 129 of the budget, line 10.6, energy efficiency, again, we see on that page, Minister, \$500,000 in provincial and federal funding that was put towards solar energy systems on Alberta farms in February 2015. My question regarding that is: how many megawatts of solar capacity were installed on Alberta farms, and what were the resulting reductions in greenhouse gas achieved by that program?

A similar question regarding the \$4.5 million in provincial funding that was put towards solar energy systems for Alberta municipalities in February 2015: would you undertake, please, to provide Albertans the data on how much was granted to each municipality, how many megawatts of solar capacity were installed, and, again, the resulting reductions in greenhouse gas emissions from that program?

Again we have a question regarding the retail products that are going to be sold under the residential retail products program. I would like to ask: how much of the retail product price is going to be rebated? Is it going to be in percentages? Is it going to be in dollar values? Are there checks and balances in place to prevent applicants from using both the residential retail products program and the residential no-charge energy savings program? As I was looking down the list of goods available under that retail products program, there are some obvious duplications in the kinds of products that people can receive.

Additionally, the department's spending on business, nonprofit, and institutional energy savings programs.

Again regarding the department measuring and verifying greenhouse gas abatement: can we get data on that? And the estimated cost per tonne of abated GHGs would be nice to get.

I don't see any program including deep energy retrofits. Particularly, I am concerned with insulation upgrades and window upgrades and door upgrades for schools. In the history of energy efficiency, of course, those are your biggest bang for your buck rather than, necessarily, equipment upgrades. How much, again, of the retail price of the products purchased in accordance with that program is going to be rebated? If you could undertake to get that to me.

Also, again, the same kind of a question on the residential and commercial solar program: how many megawatts of power does your department expect to create under that rebate? Are we looking at one installer in each region? Is there going to be a list of certified installers competing with each other to attract installation requests in that particular residential and commercial solar program? Again, you're predicting, I think, if I read it right, a reduction of about half a million tonnes in emissions. How are you going to measure and verify that, and will you be publicly reporting on the results of that GHG reduction from this program?

Similar questions on all the other programs that we have. I just want to ask for measurement and verification of the results of each one of these programs so that Albertans have some idea of the cost per tonne of CO<sub>2</sub> abated by all these programs, because every one of them is in an effort to reduce greenhouse gas emissions. If you would agree to undertake those, I would appreciate that very much, or if you have some of those answers now.

The last question that I have pertains to the specified gas emitters regulation. In an e-mail to energy stakeholders regarding the changes to SGER, the e-mail noted that the GHG offset credits and emissions performance credit will be limited to 30 per cent of compliance by regulated facilities starting in the 2018 compliance period. Did your department do an economic impact study on the changes this was going to bring to both the companies and the provincial revenues on account of that change? If you don't have that, could you table it, please?

**The Chair:** Thank you, hon. member.

If the minister so desires, you can take five minutes to respond to any of the questions asked.

**Ms Phillips:** Sure. Certainly, a lot of the information around energy saved and natural gas savings and expected uptake and so on is already public for a number of the programs that have been undertaken, whether it's the agricultural piece or the indigenous investments that we have made or whether it's the suite of programs under the residential direct install or the rebate programs. However, I think it's a reasonable expectation that the province be reporting to Albertans on the success of the climate leadership plan. I believe we have committed to doing so even more often than the usual annual reporting mechanisms that we use.

I think it's also fair to say that there is more to come on this matter of deeper retrofits. As we work through the capital maintenance and renewable aspects of the capital plan, whether it's investments in schools, hospitals, municipalities, universities, or other large infrastructure in the province, I also think it's fair to say that the efficiency panel, the expert panel, really bore this out, that there's a whole bunch more to do on this file and that the residential direct install, while it has created jobs and will save Albertans a little over \$100 per year and saves Alberta families' pocketbooks \$1.30 for every dollar we invest, they are simply a starter kit. They are a function of Alberta catching up to what is happening in other jurisdictions.

11:50

Direct-install programs exist in Manitoba, Newfoundland, British Columbia, Hawaii, Illinois, Indianapolis, Louisiana, Ohio, New Jersey, Minnesota, California, Maine, the Pacific Northwest, Vermont, Oregon, and Connecticut. There's a lot of history of places around North America undertaking these activities as a way to save customers money. There are other programs, too, in places like Wisconsin. We just recruited the CEO of our efficiency agency from Wisconsin, where she was delivering those programs. Certainly, places like Wyoming, Ohio, and New Mexico also have these kinds of programs. Indeed, consumers almost everywhere have access to some form of these kinds of projects.

As for SGER and the 30 per cent policy surrounding the use of offset credits, I will ask Bob Savage, who is the assistant deputy minister in the climate change office, to provide a bit of context and background around that.

**Mr. Savage:** I'm the ADM for engagement and consultation, but I also have a role in the regulatory system. We can endeavour to provide some of the analysis around the 30 per cent credit. In general what's been happening is that the price has been increasing on carbon. What has been happening is that a lot of the companies have been sitting on their credit, so we've seen increased payments in the fund in the short term. Over the longer haul as the price hits \$30 a tonne, essentially these credits will start to come in and flow into the system. We're trying to manage the instability of the market and the swings going forward, and that's why we've imposed a limit on the credit. We can provide you some of the analysis around that if you'd like.

**Mr. MacIntyre:** Thank you.

**The Chair:** Thank you. Thank you very much, Minister.

We'll now continue with our rotation and move on to members of the third party.

**Mr. Fraser:** Thank you, Mr. Chair. Minister, I just want to talk a little bit about the climate change innovation task team. I'm just

wondering if you can provide us some detail on the composition of that: who's going to be leading the team, and who's going to be asked to join the team?

**Ms Phillips:** Sure. I just want to make sure that I'm clear on which task team we're talking about.

**Mr. Fraser:** The climate change innovation.

**Ms Phillips:** Yeah. Gord Lambert chaired that innovation task force. He was on the Leach panel as well. His previous experience was with Suncor and TransAlta. Other members of that task force – and now I'm going to make sure that I get it right. I know that Sara Hastings-Simon served on that, and I believe that Judy Fairburn did as well. She's the chair of the Alberta Innovates board, but also she's with Cenovus and really has a deep understanding of this space in general. There could have been other participants. You'll have to forgive me. I will get you that list, hon. member. They have done some consultation. They will be providing a report to government, and government will consider it, just as we have with our other expert panels and so on.

I think there's also a process under way whereby the oil sands advisory group is examining these items, focusing more on, obviously, what kinds of partnerships we can undertake with industry via COSIA or other bodies to reduce the GHG per barrel in oil sands production. Of course, the innovation task force, chaired by Gord Lambert, was looking at it a little bit more broadly than just the oil sands. So there are a couple of different considerations happening in this space.

**Mr. Fraser:** Right.

I want to move to the Alberta Emergency Management Agency and the Provincial Operations Centre. It's on page 47 of your fiscal plan. I don't believe there's any money allotted this year, but there are some monies going in next year and the following years. Can you give us some details on that new command centre? Essentially, where will it be built, what's the anticipated cost, and what kind of feedback are you getting from first responders in the past two disasters on how to really make the most of that building, you know, to better serve Albertans?

**Ms Phillips:** I believe that that capital project is being led by Municipal Affairs if I'm not mistaken. I do know, however, that the POC, as it is referred to, could not really sustain the level of activity that we saw within it during the response to the Fort McMurray wildfire, and I'm sure that was the case in 2013 as well. So, you know, at some point one must invest in that infrastructure to be able to accommodate the large numbers of first responders and others.

Certainly, the city of Calgary has a new operations centre, that I had the opportunity to tour last year. It has the ability to respond to disasters that we did not really see in terms of actually being able to house people from various places and having workspace for everyone and to have everything co-ordinated properly. I think it's a wise investment given how I saw the existing POC operate. Everyone made, you know, the best of a mediocre situation, I think, in terms of those infrastructure supports. Certainly, it didn't take away from the overall response effort, but I think it's also fair to say that we need to invest there.

**Mr. Fraser:** Yeah. Absolutely. I guess the question is why you guys would be investing in that over the next three years in terms of your estimates.

**Ms Phillips:** I think it might just be in the overall capital plan.

**Mr. Fraser:** It's page 47.

**Ms Phillips:** Of the fiscal plan?

**Mr. Fraser:** Yeah, the fiscal plan. It's just at the bottom there. It talks about the Provincial Operations Centre.

**Dr. Starke:** It's on page 47 of the fiscal plan, the capital plan details. It's under Public Safety and Emergency Services.

**Ms Phillips:** Yeah. That piece would be under MA's budget, public safety and emergency services on page 47. That's why we didn't see the Kananaskis Emergency Services Centre in our budget, because it's over there.

**Mr. Fraser:** Okay. Very good. Thanks, Minister, deputies.  
I'm all done, Mr. Chair.

**The Chair:** Okay. Are there any other members wishing to speak?

**Mr. Loewen:** Do we still have some time available?

**The Chair:** Just under three minutes.

**Mr. Loewen:** Thank you, Chair.

**The Chair:** You're welcome.

**Mr. Loewen:** When we look at page 67 in the Environment and Parks business plan, it talks about "development and implementation of species at risk recovery plans including westslope cutthroat trout and grizzly bear." I'm wondering about the grizzly bear. What is the status of the grizzly bear now as far as a species at risk? How is the population doing, and how do you plan on managing grizzly bears going into the future?

**Ms Phillips:** We do have a recovery plan. Just quickly, Member, because I think we have about a minute, we can undertake the population counts and provide that information.

**Mr. Loewen:** Okay. Sounds good.

Now, it also mentions here on the same page about supporting the Ministry of Energy with the orphan well liability review. I'm presuming that the orphan wells fall somewhat under both departments. I'm just wondering what your input is going to be on that and how you see that, going forward, as far as the orphan wells. Obviously, that's a big issue.

**Ms Phillips:** I think E and P's role there is to provide the policy support and directives to the AER in the form of directives and policy support on what constitutes reclamation, what constitutes appropriate remediation, and so on, those kinds of standards.

**Mr. Loewen:** Okay. Thank you.

Then, going on to page 68, where we're talking about the air quality index, it talks about fine particulate matter. I was wondering if you had done anything to identify where the particulate matter is coming from as far as these, you know, monitoring stations.

**Ms Phillips:** With respect to the Red Deer airshed and the Canadian ambient air quality standards, triggers, and thresholds, that is on the record from yesterday. We discussed the various point source and ambient monitoring initiatives that the department has undertaken as part of a general, overall management response plan.

**Mr. Loewen:** Okay. So that's something that will be coming. You mentioned Red Deer . . .

**The Chair:** I apologize for the interruption.

**Ms Phillips:** It was read into the record yesterday.

**The Chair:** Thank you, committee members. We've reached the time allotted for this item of business. It has concluded.

I would like to remind the committee members that we have scheduled a meeting tomorrow, April 6, 2017, from 9 a.m. to 12 p.m. to consider the estimates for the Ministry of Transportation. Just a heads-up: we will be meeting in the Parkland Room tomorrow, not in this one.

Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 12 p.m.]









