

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

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Standing Committee on
Infrastructure and Energy

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LOCATION: COMMITTEE ROOM, J. ANGUS MACLEAN BUILDING, CHARLOTTETOWN

SUBJECT: BRIEFING ON POLICIES RE: VACANT INFRASTRUCTURE IN THE PROVINCE; EFFICIENCY PEI

COMMITTEE:

Bush Dumville, MLA West Royalty-Springvale [Chair]
Dr. Peter Bevan-Baker, Leader of the Third Party
Richard Brown, MLA, Charlottetown-Victoria Park
Kathleen Casey, MLA Charlottetown-Lewis Point (replaces Hon. Doug Currie, Minister of Education,
Early Learning and Culture)
Jamie Fox, Leader of the Opposition
Sidney MacEwen, MLA Morell-Mermaid
Hal Perry, MLA Tignish-Palmer Road

COMMITTEE MEMBERS ABSENT:

Hon. Doug Currie (Minister of Education, Early Learning and Culture)
Hon. Alan McIsaac (Minister of Agriculture and Fisheries)

MEMBERS IN ATTENDANCE:

[none]

GUESTS:

Department of Transportation, Infrastructure and Energy (Hon. Paula Biggar, John MacQuarrie, Alan Maynard, Mike Proud)

STAFF:

Emily Doiron, Clerk Assistant (Journals, Committees and House Operations)

Edited by Parliamentary Publications and Services

The Committee met at 1:30 p.m.

Clerk Assistant (Doiron): Welcome to the meeting for the Standing Committee on Infrastructure and Energy. I know it's a little odd for the committee clerk to be starting the meeting, but we've had some changes in membership. That includes our former Chair, so we have a vacant Chair. I'd like to do an election of Chair for the committee.

I'll open the floor for nominations for the Chair of the committee.

Mr. R. Brown: I move the best MLAs that Prince Edward Island would ever have –

Mr. Perry: No, I don't want to do it.

Mr. R. Brown: – Bush Dumville –

Mr. Perry: Oh, okay.

Mr. Dumville: That's the first time you have said that.

Mr. MacEwen: (Indistinct) yourself. You can't nominate yourself.

Clerk Assistant: Are there any other nominations?

Mr. R. Brown: Do you need a seconder?

Leader of the Opposition: I'd like to nominate Richard Brown.

Mr. R. Brown: I decline.

Leader of the Opposition: Well, the experience this man has, I think he would do very well in seat.

An Hon. Member: The dean.

Ms. Casey: There is a motion on the floor.

Clerk Assistant: All right, so there is a nomination for Bush Dumville as the Chair of the committee.

All those in favour please signify by saying 'aye.'

Some Hon. Members: Aye!

Clerk Assistant: Contrary minded, 'nay.'

Mr. R. Brown: Unanimous.

Clerk Assistant: Welcome, Mr. Dumville.

An Hon. Member: Working together.

Mr. R. Brown: Working together. Tweet that out somebody.

Clerk Assistant: Welcome, Chair.

Chair (Dumville): Thank you.

I wouldn't have lost confidence in you with Mr. Fox. I would have moved you down the (Indistinct) – no, you can stay here because that's what I need, another Chair.

I'd like to thank the committee for all the faith that you put in me. It was a pleasure to serve as your committee Chair of this committee.

Anyway, I'll start off with approval of the agenda.

Mr. R. Brown: Approved.

Chair: Our first order of business is a briefing on the policies in regard to vacant infrastructure in the province and efficiencyPEI.

We have the hon. Paula Biggar here with us today and John MacQuarrie and Alan Maynard. If they'd like to take their chairs at the table at this time; greatly appreciated.

Mr. MacEwen: Chair?

Chair: Oh, I'm sorry.

Mr. MacEwen: Is Alan MacIsaac on this committee?

Clerk Assistant: Yes, he is.

Chair: Yes.

Mr. MacEwen: Just curious.

Ms. Biggar: (Indistinct) Chair, actually

Chair: I'm supposed to start here?

Mike Proud to the table, too.

The clerk has just informed me that we're starting with efficiencyPEI. Gentlemen, I welcome you here on behalf of the committee. I've asked before you speak; give your names first for the benefit of Hansard. These are not for amplification. They're just for recording purposes.

We'll start. If you want to go right through your presentation that is fine, if you want the members of the committee to ask questions as we go, which would be your choice?

Ms. Biggar: Thank you, Mr. Chair.

Minister Paula Biggar. We're pleased to be here and to my right is Mike Proud.

Mike Proud: Mike Proud, I'm the manager at efficiencyPEI.

Ms. Biggar: And further right.

John MacQuarrie: John MacQuarrie, Deputy Minister.

Ms. Biggar: We're very pleased to be here today and we were glad to get the request to come in. Alan Maynard will be joining us after this presentation. During the presentation, Mike is prepared to take questions as we go through each section. We're certainly open to that, but I think this is – I'm very pleased to be here. It's a great opportunity to share some of the information about efficiencyPEI and how we can educate Islanders on energy consumption and the work that efficiencyPEI does.

I think this is timely – I think all of us got the notice that the home renovation program is coming out next week through family and services. Any time that we can work with Islanders that are applying for that, for instance, and I know all of us get calls from individuals for a number of – whether it's, they need a new roof on their house. If we can direct them to family services for that and how we can then engage with them to say: Well, if you're putting a new roof on, perhaps we can help you through our rebate to add more insulation or maybe a more efficient window, or those kinds of program through rebates that our efficiencyPEI does.

I think it's always great if we can share that information out there and continue to work

together. I know many of you get questions every day on this.

I'm going to turn it over to Mike and he has a number of slides. If there are questions before you want to start, I'm certainly open to that, as well.

Chair: Just before you start I have a question from Sidney MacEwen.

Mr. MacEwen: Thank you, Chair and thank you, minister.

I think the, not the elephant, but one of the major things in the room, of course, if the PEI Energy Strategy. Just wondering, before we get into the efficiencyPEI presentation, what is the update on timing, release, you know, can we expect before the Legislature, that type of thing, just so we can have that –

Ms. Biggar: Absolutely –

Mr. MacEwen: – we know it before we get into asking questions.

Ms. Biggar: Efficiency is an integral part of the upcoming energy strategy. Just to give a little history, a background. We engaged Dunsky Energy Consulting to do public consultations and to put together the recommendations that came out of that. There were about 70 of those recommendations.

What we have done over the past several months is take those recommendations and look at them. This is a 10-year plan. How can we tie those in? Or, which parts will tie in that can be most effective?

What we have done is put those together and I guess what I can tell you today is, as we speak, the energy strategy is getting printed. So, as soon as we get it back from the printer's we'll be releasing it. We will definitely have it before the House opens.

Mr. MacEwen: Thank you.

Chair: Thank you.

You may proceed.

Mike Proud: Thank you, Mr. Chair, and thank you committee members for having us here today.

I just wanted to go through a brief overview of the energy situation on PEI. I did this last time, those of you who were present last time, I spoke to the committee. A couple of the slides are repetitive but I think it's important that we go through them again so people are aware of what we do and why we do what we do.

Excuse me, because I have a cold, too. I'll try to make sure I speak up loud enough for everybody to hear.

This pie chart is just an overview of the energy that we consume on PEI today. It's made up primarily of fossil fuels; gasoline and diesel being the biggest portion. Transportation is 41-42% of our entire energy picture. Light fuel oil and propane are our primary heating fuels. Biomass is a big number it's about 7%. It was a bit higher, it has taken a drop in the last few years because of the influx of heat pumps and electric heating. People are shifting away from that heating source to electricity.

Then, the three pies on the top left-hand corner there, the reddish coloured ones, that's our electricity sector. The bulk of it comes from New Brunswick; system energy. Six percent of the total pie is on-Island wind, that's about 25% of the electricity picture. Then, we've got a small stake in the nuclear plant at Point Lepreau, that's 3%. The on-Island fuels is the oil-fired generation at the Charlottetown plant and the Borden plant.

Yes.

Chair: Jamie Fox.

Leader of the Opposition: So that is light fuel then?

Mike Proud: Light fuel, that's a home heating oil.

Leader of the Opposition: That's home? Okay.

Mike Proud: Yeah, it's used for commercial heating, as well; it's not just home heating oil. We call it home heating oil, but number two fuel is what it's called.

This graph –

Sorry?

Mr. R. Brown: No one uses bunker anymore?

Mike Proud: Not Bunker C, I think there's a couple that may be using Bunker A. I think that Charlottetown, the thermal plant –

Mr. R. Brown: Oh.

Mike Proud: – they still use bunker there, and maybe a couple of smaller consumers in the province, smaller industrial consumers use it, but it's primarily light fuel oil.

This is a graph, a flow chart of the energy system. Now, it depicts an energy system in United States, but it can be transferred to Canada fairly easily. We have basically the same energy system. We use the same equipment, same vehicles, same housing. Everything is pretty much the same. The only difference is on the left-hand side, it shows you where the energy is coming from, the different fuel types and we'd have a different mix there. We'd have more hydroelectricity. We'd have less coal; probably about the same amount of natural gas. Biomass is probably less than what they have in the United States. Petroleum is probably about the same.

The point I'm trying to make here is that where the energy goes and how it's being used. We'll just zoom in here. At the top, that's 95 quads, that's a unit of energy that's being used to total it all up. But, where it all goes is, about 60% of all the energy used in the United States and in Canada is what's called rejected energy. It doesn't provide any useful work; it's wasted energy. We talked about this last time. I'll give you some examples.

The internal combustion engine, it's in every car that we're driving around today, is about 20% efficient; 80% of the energy that goes into that car goes out as heat and waste. The incandescent light bulb, finally it's going away but it's about 2% efficient, 98% – it's a great electric heater, but it's a very poor light bulb. Those are finally going away. But that's the reason why we're in the situation that we're in today, is because most of the energy that we consume is wasted.

Yes, Mr. Chair?

Chair: I have a question right here from Mr. Fox.

Leader of the Opposition: No, he answered it a second ago.

Chair: Okay, thank you.

Sorry to interrupt.

Mike Proud: No problem at all.

What do we do with all of that waste? How do we deal with that wasted energy? In the energy efficiency game, we look at energy as a pyramid and the bulk of the savings and the bulk of the opportunities sit at the bottom of the pyramid and that's energy conservation. That's the waste. That's turning off light bulbs, turning down your thermostat. That's where the bulk of the opportunity lies in eliminating and reducing that waste number.

The next piece is energy efficiency. Once you get your waste eliminated, then you look at: Okay, so what can I – I need a light to do work. I need motors to operate my plant to make product. What's the most efficient way that I can get the energy that I need or the work done that I need to have done? Once you get all of that looked after, eliminate the waste, become as efficient as you can, and then you look at: Okay, where does my energy come from? Are renewable energies an option for me at that point? Is it solar? Is it wind? Is it others, like biomass? Is it still petroleum products? I think we're still going to have petroleum products around this world in the foreseeable future, anyway. Once you become as efficient as you can, then you look at: Where does my energy come from and at what cost do I want to pay for that energy? That's where we come in. Why energy efficiency? Energy efficiency is beneficial for a lot of reasons:

(1) It saves you money. That's the most important reason, because if you're going to change people's behaviour you've got to show them the benefit, and the benefit is it saves them money.

(2) It improves the economy. The more efficient you are, in Prince Edward Island for instance, the more efficient we become, the less energy we have to import. The more local energy we can use, and the more

efficient we become and the money stays within the economy here.

(3) It's good for the environment. It reduces greenhouse gas emissions on a direct basis, and it mitigates climate change. The effects of climate change, global warming, is significantly improved and mitigated by energy efficiency. It improves energy security because you're importing less energy, or you're not at the whim of the global marketplace – or less at the whim of the global marketplace. You have more secure economy and a more secure energy system in your province or in your country. It enhances our quality of life. The less energy we consume, the more money we have, the more disposable income we have the better our lives can be. The less emissions we have, the better our health can be. Air emissions from energy consumption has an impact on our individual health so it improves our quality of life very significantly.

How do energy efficiency programs work? Energy efficiency programs were designed to do a couple of things; number one is to change people's behaviour. We want to modify people's decisions. People make decisions every day that affect how much energy they will consume for the next 10, 15 or 20 years depending on what kind of decisions they're making and what kind of purchases they're making.

Programs are designed to step into that process and say: Okay, you're going to make a decision, you're going to buy a window, you're going to buy a refrigerator, whatever it happens to be, or a heating system, we want you to go beyond where you would have gone normally. If you're going to buy a heating system that's 85% efficient, needs to be replaced in your home, we'll step in and say: You're going to buy a heating system? That's great: We think you should go more efficient than you would have gone. That's what the programs we have are designed to do, is to give them a little incentive to push them beyond where they would have gone normally.

The other thing that the programs try to do is to transform the marketplace, to move beyond what's standard. I'll pick windows for an example. If you walk into the hardware or the building supplies store

today, they'll try to sell you what's called an Energy Star zone two window. Zone two is just the heating zones that we're in in Canada, and Prince Edward Island is in zone two. If you walk into that hardware store, that's the window they're going to try to sell you. That's what they've got in stock. That's what everybody stocks. It's the standard today. We want you to go beyond that. The incentives we have are for zone three windows which is for a colder climate but it's a much more efficient and effective window. We'll give you an incentive to do that.

I'll give you an example of how we have transformed the market. When we started operations back in 2008, you could walk into the hardware store and buy any window you wanted. You could buy the cheapest, least efficient window that was out there and they had them in stock and they would sell them to you, and we started offering incentives for Energy Star windows, and now we have transformed that marketplace. Now, pretty much all you can buy is Energy Star. If you want something less than that, then you've got to ask and they've got to order it in special for you. That's how market transformation happens, and that's one of the reasons why the programs we have work the way that they do.

We always try to promote a brand and Energy Star, most efficient, is kind of the brand that we selected to promote. It's not just Energy Star; it's the best of Energy Star. It's the top 10% of all energy systems. If it's heating systems, heat pumps, windows or whatever it happens to be, it's the most efficient brand that we want people to buy so that's what our programs are trying to trigger you to do, is to change what you would have done normally.

We have a number of programs that we offer homeowners to help them do that. The first one is the Building Envelope Upgrade Program, the rebate program. This is for insulation work, windows and doors, air (Indistinct) work. The income levels are listed here. Currently, our low-income cutoff is \$35,001. We have to be careful how we word things. It should have been 35,000 or less but it's not. So 35,001 – above is regular income, 35,000 below is low-income. We've got two tiers for low-income clients and it works for all of our programs,

currently. Insulation, attic insulation, basement insulation, any air (Indistinct) work you want to do, it's all covered under this program and the rebate basically, it's determined on how much you're going to save. The more insulation you add, the larger rebate you'll get back from us at the end of the day.

We've got an Equipment Upgrade Rebate Program and this covers everything but heat pumps; heating systems, solar, hot water, biomass, wood-burning systems. It covers all of those. Again, same income levels are required and again, the grant is based on how much you save. Depending on the size of the heating system or the potential energy you'll save from that heating system, that's how the grant is triggered.

Yes?

Chair: Mr. Fox.

Leader of the Opposition: Mike, why are we not looking at heat pumps?

Mike Proud: We are.

Ms. Biggar: We have a program separate.

Mike Proud: Like I just said, because heat pumps are our biggest area. It's the next one.

Ms. Biggar: It's in there.

Mike Proud: We would have put it in here normally, but because the bulk of our work is on the heat pump side of things so we have its own application form. It just makes it easier and simpler for people.

That's next, the Heat Pump Rebate Program. Again, income levels are the same and the rebates, again, are generated based on how much energy that heat pump will save. The larger the heat pump that you put in, the more grant you're going to get. It doesn't necessarily mean you put in the biggest heat pump you can get, because if you do that, you end up being less efficient because the heat pump is oversized. You want to make sure your heat pump is sized properly for your home and then we'll generate the rebate based on the size of the heat pump that goes into your home. We've had people thinking that we'll put in a bigger heat pump than they need, but it just doesn't work as

well if you do that. You want to make sure that it's matched properly.

Yes, Mr. Chair?

Chair: Where is the future of Tesla's shingles? Is that just too new a technology?

Mike Proud: It's not new technology. It's been around for 20-plus years. They were making solar shingles in Austria and Germany back in the 1980s, 1990s. It's not new technology. I think what the game changer is for the Tesla stuff is that it's, based on what's been said today, it's extremely cost effective. No more expensive than to shingle your house with asphalt shingles. If that's the case, then that is a game changer.

Chair: It will work with Canadian climate?

Mike Proud: Yes. The solar electric – the solar heating system will work in any climate. In fact, probably the colder you are the better they are. They operate a bit more efficiently in colder temperatures and if you're colder, you tend to be more sunny, so yes. It's the cost effectiveness of those systems. If you can deliver that at the cost of asphalt shingles, then yes it's a game changer, for sure.

Chair: Would we get into that?

Mike Proud: Absolutely, yes.

We have a Home Energy Audit Program. We brought this back last year back in the fall. It's not a requirement. We had a home audit program back when we started in 2008. The federal government at the time also had an incentive program. When the federal government ended their incentive programs in 2010, we stopped requiring the Energy Audit Program. We brought it back. It's still not a program requirement. It's only there for the information of the client. If somebody is interested, they don't know what they want to do; they want to reduce their consumption, but they're not quite sure where to start. We can advise them, as well. I'll talk about that in a minute, but if they want to the energy audit done, then we'll provide a subsidy for that. We cover half the cost.

Actually, we can cover the whole thing, but initially we cover half the cost of the energy audit. Then, if they do work through our other rebate programs for every time they do an upgrade, then we'll take another \$50 off, so they can get the audit for free at the end of the day if they want. It's there just solely for the information of clients. I'd say, we kind of shifted our focus a little bit last year towards more public education and more information and less emphasis on the rebates, although the rebates are important and we need, again, to trigger the behaviour change that we're looking for people to do. It's not just rebates anymore, it's the public education, information, and then the incentives that they need to make the decisions that they need to make.

We have our Home Energy Low-income Program, it's our HELP program. This is a free weatherization service that we provide to anybody with an income less than \$35,000. We send a tradesperson into their home. They replace all of the – not all of the – they replace their lights with LED lights and compact fluorescent lamps. They'll put a programmable thermostat on. They'll put on a low-flow showerhead. They'll do all the weather stripping and caulking that they can do to reduce the air leakage in that home. We find that that reduces energy consumption by about 10-15%, which, in the average home, is about 250-\$300; not insignificant. We provide that free to the client, no charge. It's our most cost-effective and our most effective program that we deliver today. It can really deliver savings to home owners, specifically, the low-income home owner.

Chair: Richard Brown, then Jamie Fox.

Mr. R. Brown: How many have we done to date?

Mike Proud: To date? Since 2008 we've done about 3,600.

Mr. R. Brown: Great.

Mike Proud: But yeah, we think there are about 9,000 clients out there so we still have a lot to reach. We always push this whenever we are out talking to community groups or whoever. It's always, if you know anybody that can take advantage of this

program, let them know because we're happy to help anybody that we can.

Chair: Mr. Fox.

Leader of the Opposition: Is there a limit on how many bulbs –

Mike Proud: Yeah.

Leader of the Opposition: – or that stuff that you would change over?

Mike Proud: We do usually four LEDs and then up to six compact fluorescents, so 10 light bulbs per household. The average household has about 20-25, I think, but only seven or eight get used on a regular basis or a consistent basis, like, three or four hours every day; kitchen lights, living room lights, those areas. We make sure that those get changed out. Anything else that the client wants done we're happy to provide, again, up to about 10 lights per household.

Leader of the Opposition: So why wouldn't we expand that number to really help low-income Islanders?

Mike Proud: Yeah, we might. The question – it becomes a cost-effectiveness question. Other than those 10 lamps, the rest of the lamps you are going to replace might only be on an hour a week. Is it cost-effective to replace those or just to leave them as they are? As times change and things go on, we may look at expanding that to do all the lights in a house. But generally speaking, if we can hit the major lamps we can see the bulk of the savings.

Chair: Peter.

Dr. Bevan-Baker: Thank you, Chair.

Thanks for the presentation, Mike.

With all of these programs, my experiences with constituents in District 17 is that they're always over-subscribed and there is never enough funding to meet everybody's needs. I know the income cut-offs are at certain level, but in reality, you have to be way below that before you can qualify. At least that's been my –

Ms. Biggar: No.

Mike Proud: No, not in this case. In fact, we haven't been over-subscribed in this program for two years.

Dr. Bevan-Baker: With the HELP program?

Mike Proud: With the HELP –

Dr. Bevan-Baker: No, I'm talking about all of the programs –

Mike Proud: (Indistinct)

Dr. Bevan-Baker: – (Indistinct) was that –

Mike Proud: Yes, I mean, I think the last time we had exhausted our funds early in the fiscal year was 2014. The last few years we have been able to offer funding throughout the entire fiscal year –

Ms. Biggar: To meet the demand.

Mike Proud: – yes, we haven't cut anybody off. In fact, the HELP program has never ever ended early. We've always made sure we had enough funds in place to run that program throughout the year.

Dr. Bevan-Baker: Given – and you – sorry, Chair.

Chair: Whenever you are done, we'll go to Mr. Fox.

Dr. Bevan-Baker: Thank you.

You listed off all of the benefits of energy efficiency earlier, to the individuals, to the province, in terms of our health, energy autonomy here on Prince Edward Island. There are all kinds of reasons for doing this. I'm wondering, and I realize that we haven't yet decided what sort of carbon pricing mechanism we're going to put in place here. It would make sense to me that, in terms of a bang for the buck that the funding for your department should be one of the places that we should be putting that.

Is that something that you are going to be lobbying for, or are discussions ongoing on that?

Ms. Biggar: At the present time, at a regional level, the other provinces are also in discussions as to what is the best mechanism

to put in place. Is it carbon pricing? Is it cap-and-trade? So, we are still in those discussions. We're very cognizant of the impact that it could make on low-income Islanders. We have not made a decision whether it will be carbon pricing or that cap-and-trade, but PEI certainly is not going to be first out of the gate. We are in discussions with the other provinces. It has to be a regional – it really has to be a regional initiative, I think, on how we're going to move forward on that. We are at that level, right now.

Dr. Bevan-Baker: Thank you, Chair.

That's an interesting comment and I agree that regional co-operation is important in many facets of governments, but the appropriateness of a cap-and-trade system for PEI, given the tiny amount of heavy industry that we have here would seem to be –

Ms. Biggar: Well, again, as I said, we're still in discussions, but at this point there has not been a decision to move forward with carbon pricing.

Dr. Bevan-Baker: Minister, if I remember right, you said: It has to be a regional answer here. Even, it's mandated that we –

Ms. Biggar: No.

Dr. Bevan-Baker: – do the same, no.

Ms. Biggar: No, we view it as, what we do will impact on New Brunswick or Nova Scotia and what the rest of the – what the rest of the Atlantic region does impacts on each other in terms of what we're trying to accomplish. That's where we are in that stage, but we're not at a stage where we will be implementing carbon pricing in the immediate next few months.

Dr. Bevan-Baker: Okay.

Chair: Thank you.

We'll go to Jamie.

Dr. Bevan-Baker: Okay.

Chair: Jamie.

Leader of the Opposition: Thanks, Chair.

You said that you'd never turned anybody down, or nobody has never ever been –

Mike Proud: In the last two years, yeah. We had issues in the past –

Leader of the Opposition: So you had 3,600 families or homes –

Mike Proud: Yeah.

Leader of the Opposition: – take advantage of this since what date?

Mike Proud: 2008.

Leader of the Opposition: Pardon me?

Mike Proud: 2008.

Leader of the Opposition: 2008.

Ms. Biggar: That's for this particular –

Mike Proud: We do about 200-300 a year, somewhere in that range.

Leader of the Opposition: How many people would apply, or ask for information, but not continue?

Mike Proud: Of all the programs?

Leader of the Opposition: Yeah.

Mike Proud: I couldn't say. I mean we don't reject many applications. Maybe less than 5% a year get rejected because they don't meet the qualifications that we set out in terms of the equipment specifications and things like that.

In terms of the number of calls we get people inquiring about programs, and actually walk through, I couldn't tell you what the difference is between the number of inquiries we take and the number of applications we process. I think it would be substantial. We spend a lot of time just talking to people.

Leader of the Opposition: I hear a lot of people say that they either apply or they start the process or they get the information and after they start to cost it out, their income, disposable income, or available funds to do anything they don't have the money to do it.

But you and I know of a case where you and I talked about zone 2 and zone 3 windows.

Mike Proud: Yeah.

Leader of the Opposition: I did some checking on that and people tell me that: yes, zone 3 is the better. But a family making \$30,000 – even up as high as \$50,000 – does not have the disposable income or incoming financing available to go to a zone 3 window or to put any other measures in place.

How can we make a better system to get these people more energy efficient?

Mike Proud: Yeah, I think that's what we look at our friends at Family and Human Services and the PEI Home Renovation Program that they have because they look at 100% funding and we can step in to that program and maybe help out there. That's the discussions that we're having now, as to we can augment that program with the kind of work that we want to have done.

In terms of the zone 2, zone 3; I think that we've looked at numbers and we chatted back and forth on that particular issue. The problem with windows is that windows are the least energy intensive part of a home. On average, windows cause about 9-10% of the energy consumption in that home. They are an expensive upgrade to make, I agree, 100%. Even if it's zone 2 or zone 3, it doesn't make any difference, it's an expensive upgrade to make. The energy savings just aren't there. You're replacing windows because they're broken. They don't function anymore; structurally they are not sound anymore. That's why you replace a window. If you've got poor windows that are structurally sound, but leaking air, we can fix those windows for you. If you're a low-income client we'll fix them for nothing. We'll send a tradesperson out and fix those windows up for you.

The window issue is a bit tricky because, as I say, the economics are so poor. They are so costly to put it. Again, if you're going to replace that window you're replacing it for other reasons. If you're going to replace it, then we want to step in at that point and say: Okay, you're going to put a zone 2 in; we'll give you \$50 if you put a zone 3 in and it's

\$50 per window or door we provide funding for.

So yes, I get the point that it's an expensive upgrade to make, but you don't make those upgrades for energy savings, you make those upgrades for other reasons. We step in and say: Okay, you're going to do it anyway; we want you to go to the higher level windows as a result of that. That's what the programs are designed to do.

Leader of the Opposition: I think that –

Chair: I want to just stick Richard in here –

Leader of the Opposition: Yes.

Chair: Is it part of the –

Leader of the Opposition: Same thing?

Mr. R. Brown: Yes.

Leader of the Opposition: Go ahead.

Chair: It's the same thing.

Leader of the Opposition: Go ahead, Richard.

Ms. Biggar: If I could add to that, too? I think when someone is coming to our office or efficiencyPEI to do some sort of upgrades, if we can attach other things that we can do for them for free, like this in particular, would make a big difference on weatherization of whether it's their doors and other parts of their home, that can also help reduce that energy consumption. Then if they are doing windows, they may not be able to do all the windows every year, but if they can do them incrementally and when they are able to do that, to use the most efficient, and that we can help offset that by some rebates on that.

I think we can tie a number of other things together and as Mike said, with the home reno program at family services, if we can help partner – have them back on us and use us for guidance or to piggyback on what programs we can, we can also make an impact there on that side of it in terms of helping with the costs that they are getting covered, in addition to the rebates that we can give, and combine those two things to

make the most effective upgrades to that person's home at that particular time.

Chair: A comment from Richard, back to Jamie and I'm trying to get back to Peter Bevan-Baker.

Mr. R. Brown: Mike, you just said windows are your lowest. What's your highest?

Mike Proud: Air leakage, generally. Not around the windows, yes. Generally, air leakage is the single biggest energy waste.

Mr. R. Brown: Where is that mostly at?

Mike Proud: Usually around the sill plate, any penetrations in the wall. It is the windows themselves, too, so if the windows are installed poorly you'll get a lot of air leaks around the window.

Mr. R. Brown: Okay.

Mike Proud: Yes, around the sill plate, any penetrations going through the home, plumbing stacks, all that kind of stuff. It leaks everywhere.

Mr. R. Brown: Okay, thanks.

Mike Proud: (Indistinct)

Chair: Jamie to finish up and then over to Peter Bevan-Baker.

Leader of the Opposition: Two questions, actually, and you just led into something: Should the province be moving towards implementing the Canada building act – or the Canada building code?

Mike Proud: The National Building Code?

Leader of the Opposition: Yes.

Mike Proud: Absolutely.

Ms. Biggar: That was one of the recommendations of the Dunsky report and it's something that we're very excited that will come forward in the near future.

Leader of the Opposition: With that, that's fine. I've been saying for the longest while that I don't think we're doing enough to protect the environment. Of course, by

putting in energy efficient programs does go towards that. We're putting programs forward to make homes and residences more efficient in the province. I totally support that. We must make sure that it is available to more than what we're providing to.

With that, what are you doing to help industry and businesses become more energy efficient within the province? Maritime Electric or any of these other companies, we also need to be putting programs or incentives in place to get them to become more efficient, to share some of the burden of the load.

Mike Proud: No, I agree. We have an audit program so (Indistinct) –

On the commercial side, we provide incentives to have energy audits done and we found – we had grants for commercial enterprises in the past, rebates. We weren't getting very much uptake on it and for whatever reason, I'm not sure, but the biggest – we thought the biggest issue was that the amount of subsidy that we can provide to do an upgrade on a commercial building might take the payback from 10 years to seven or eight years. That's still not enough for the business person to say: Yes, I'm going to do that now. We could never provide enough of an incentive for them to actually pull the trigger and make a change.

What we found was that what they needed was the information so they could make the decision on their own. So they have an energy audit done, they get a list of recommendations and they'll get a prioritized list and it will give them the paybacks on it. They will be able to say: This is a two or three-year payback, I'm willing to do that. Because like I said, the incentives that we were providing just weren't enough and it was a fairly – it was basically modeled after the New Brunswick and Nova Scotia programs at the time. The same incentives are going on across the region, but it still wasn't enough to trigger a change.

That's what we changed last year, to just offer the audit itself, the information to the business owner and they can make the right decision that they want to make based on the information they have at the time. That's

what we're offering now for commercial enterprises.

Leader of the Opposition: With that, we now just tackled Islanders. We touched on the businesses. In this province we own over 810, I believe, small and large businesses that are owned by the government across the province. Have we looked beyond – the question being is: Is government – should we not be also looking at improving the efficiency and the energy efficiency and use within our government buildings?

Mike Proud: Yeah, I think we are –

Leader of the Opposition: You're asking the public to do it.

Mike Proud: No, I know. I think we are. We don't necessarily provide programs to the department –

Ms. Biggar: No.

Mike Proud: – the public works section of the department of transportation.

Ms. Biggar: It's a very key part of –

Mike Proud: Yes, but they look at that.

Ms. Biggar: – what we – government has to lead by example, absolutely.

Leader of the Opposition: And I don't think you are.

Ms. Biggar: Well, I would beg to differ in a lot of areas, especially with our biomass heat systems that we've installed. Right now at Prince County Hospital, 100% of the heat is biomass. That is ways that we are leading. We can –

Leader of the Opposition: Wait for it.

Ms. Biggar: We can do a lot of things that we still need to engage other departments. We're doing a review right now across the departments on –

Leader of the Opposition: That's good.

Ms. Biggar: Yes. We are engaging right across government on how the best way that we can. We have over 20 biomass units installed in public buildings across PEI right

now. Part of the recommendation from Dunsky was to put another 20 in, I think it is. We are committed to that and we have to work across departments to make that happen and we are committed to that from our department, and we will be engaging with those departments to help move that forward because it is important.

John MacQuarrie: Those biomass units alone are displacing about three million litres of fuel oil per year.

Unidentified Voice: Right.

Unidentified Voice: Absolutely.

Ms. Biggar: Yes.

Chair: Peter Bevan-Baker followed by Hal Parker – Hal Perry.

Dr. Bevan-Baker: Thank you, Chair.

Chair: I had a late night with Hal last night.

Mr. Perry: (Indistinct) not with me.

Chair: Not with you.

Mr. Perry: No.

Dr. Bevan-Baker: The awkwardness here, of course, is that we have an energy strategy about to come out and the carbon pricing and climate change mitigation and climate change adaptation, all of these things are unknowns at the moment. I know there's a lot of –

Ms. Biggar: And you know what? When that comes out, we'll be happy to come back –

Dr. Bevan-Baker: Great, I hope so.

Ms. Biggar: Mike is here for efficiency PEI so it's unfair to have all that put on him and we are not at liberty today to discuss what's in the energy strategy. We will be more than happy to come back and have a fulsome discussion on what's in the energy strategy.

Dr. Bevan-Baker: Thank you, Minister.

I understand. I was only prefacing my remarks by that – it's difficult to come up with appropriate questions because we

realize that so many things are influx here and there are a lot of – the goalposts are going to change in all kinds of ways shortly. I'm looking at an announcement which just came out from Summerside at noon today where ACOA is putting a lot of money into an electricity storage facility –

Ms. Biggar: The solar (Indistinct)

Dr. Bevan-Baker: Yes, exactly, which really will be a game changer here. But, one of the things government has to do is to provide the (Indistinct), for example, for electric cars or public infrastructure, public transportation infrastructure. Again, I can't really ask the question because I know that the answers are not there. But from an energy efficiency point of view, you talked earlier, Mike, about right-sizing the heating system for a house. Absolutely critical, but at the moment there's a real disincentive for people who are putting solar panels on houses because of the agreement with Maritime Electric, whereby, if they produce more energy than they need they don't get any credit for that.

That's something that could be – and I mean it's sort of – any sense that you might move on that to sort of create a situation where people could be credited for a surplus?

Ms. Biggar: The grid itself is a very complicated structure, so for us to get into that discussion today would not be fair to put Mike on that spot for that, first of all, but we will come back and have that discussion as part of our energy strategy.

Dr. Bevan-Baker: Okay, that's fair, Minister.

Chair: I'll get it right this time: Hal Perry.

Ms. Biggar: We're talking about a 10-year strategy, so we want to make sure we touch all of the bases.

Mr. Perry: Thank you, Chair.

Question, minister: You mentioned earlier about piggybacking. Can you piggyback on all of the programs that are available through efficiency PEI?

Ms. Biggar: You mean from the family services program?

Mr. Perry: No. Just within your own?

Ms. Biggar: Oh yes. Can you stack our programs? Is that the question?

Mr. Perry: Yes.

Unidentified Voice: Yes.

Mr. Perry: And, moving into that one, can we go in with the Seniors Safe @ Home, the Senior's Home Repair and the home improvement, too?

Mike Proud: Yes, up to 100%. (Indistinct) 100%, but yes, we will fund up to 100%.

Mr. Perry: Okay, perfect. That's my question for now.

Thank you.

Chair: Jamie Fox.

Leader of the Opposition: What do we do if low-income Islanders and Islanders in general, we start to really move into a trend of low-end electricity that they're using to consumer, because we are paying a high rate of electricity?

So, we get everybody moving in a way of reducing costs with low LED lights. I've done that in my house, and we're working on other things in my house I'm trying out. I'm wondering is there any threat there that if Islanders go efficient Maritime Electric, of course, who are guaranteed a rate of return would up their rates because they're not going to make the rate of return.

How do we deal with that issue?

Mr. MacEwen: Good question.

Mike Proud: The rate of return that Maritime Electric earns is based on their capital investment, not on their sale of energy.

However, there is a revenue issue that you have to deal with, but I think with the electrification of our energy system, which, I suspect, is going to happen over the next 30-35 years as we move to 2050, you won't see a reduction in electricity consumption. You will see a slow and steady increase as we add more electric vehicles and we electrify

our transportation system, we electrify our heating systems in houses and buildings. You won't see a reduction in actual sales, but you'll see a more efficient – we'll become much more efficient at using electricity. We don't see the huge take-off in consumption, we'll just see a slow and steady increase.

Again, that won't affect their rate of return. Their rate of return is based on capital investment. The capital that they have in the ground they're in return on that and that's how they make their profits.

Leader of the Opposition: So with that, you're saying that you think that there will be an increase in the electric usage in heating?

Mike Proud: Absolutely. We've seen it over the last –

Leader of the Opposition: So, why am I, right now at this present time, getting rid of my electric Slant/Fin boiler?

Mike Proud: Because –

Leader of the Opposition: Due to the increased cost that it's costing me in the house and going to a pellet boiler with technology out of Germany and Finland?

Mike Proud: Because it's cost-effectiveness is not great. Electric-resistance heating is the most expensive way to heat a building, or to heat anything; hot water –

Leader of the Opposition: Say that again.

Mike Proud: Electric-resistance heating, your Slant/Fin is electric-resistance heater. It's the least cost-effective way to heat. Compared to the heat pump it's about – the heat pump is about one-third of the cost to deliver heat.

Leader of the Opposition: I have one.

Mike Proud: Yeah, it delivers heat at a third of the cost of your electric-resistance heating system. That's the issue.

Ms. Biggar: I have two, and we do not burn one drop of oil or one stick of wood to heat our house, and included all of our electricity

consumption, and heat. Our light bill is not more than \$325 a month.

Mike Proud: As a comparison, yeah, like I say –

Ms. Biggar: Electricity bill, I should say.

Mike Proud: The electric-resistance heaters, what, considered to be 100% efficient. The heat pump is about 300% efficient. So that's the difference. It's the cost savings that you're looking at there.

Chair: Peter Bevan-Baker, then Hal Perry.

Dr. Bevan-Baker: Thank you, Chair.

I'm not going to ask another slanted, awkward question, I just wanted to –

Chair: Oh, go on.

Dr. Bevan-Baker: I know, for a change.

But I wanted to say that the first round of consultations on the PEI Energy Strategy, I thought were great. The document, I was really impressed with. I don't want you to think that I'm here trying to pick things apart. I thought it was a really positive – and I'm very much looking forward to seeing what's coming.

Ms. Biggar: It was a very comprehensive consultation process. We had a lot of great engagement with Islanders. We are looking to put together a strategy that will benefit Islanders out over the next 10 years and how the changes that we need to make, and the education piece. We're looking forward to putting that out.

Dr. Bevan-Baker: Thank you.

Thank you, Chair.

Chair: Hal Perry.

Mr. Perry: Thank you, Chair.

Will the new strategy include more incentives?

Ms. Biggar: There are always incentives we can put in place.

Mr. Perry: Okay.

Ms. Biggar: Again, anything that we're doing will be a phased-in approach.

Mr. Perry: I guess what I'm referring to is more of the – one of the renewable energies, which would be solar. You may have talked about it a while ago. I may have missed that part, but I'm hearing a lot of incentives –

An Hon. Member: You won't listen to us –

Mr. Perry: No, I wasn't listening –

Ms. Biggar: Again, those are all budgetary things. At this point when the strategy comes out, we certainly will have more discussion on what programs may be phased in.

There are other things that are integrated in, in adding more solar to the grid. Those are all pieces that tie-in with other factors within –

Mr. Perry: Or even incentives for like homeowners. Well, residential, could be agriculture, commercial or even municipal, too, right?

Ms. Biggar: Again, once the strategy comes out we'd be happy to come back and have a discussion.

Mike Proud: On that point –

Mr. R. Brown: Can't get an answer there (Indistinct)

Mike Proud: On that point we go back to the pyramid. The solar system is the last thing that you consider –

Ms. Biggar: You don't start there first.

Mike Proud: – it's the waste and the efficiency you deal with first. That's where you make your investment, that's the most cost-effective thing to do. Then, once all of that's taken care, then where does my energy come from? Then, you can start looking at solar systems.

Ms. Biggar: That's where your education piece really comes in. We have to get out and educate people on the best way to move forward on making changes and how they can reduce their energy consumption. Just putting a solar panel on is not going to

change everything else that's happening in the home. If you're heating something –

Mr. Perry: Well, it would reduce the cost –

Ms. Biggar: Not necessarily. If you are losing that heat out through other areas it's not necessarily going to reduce the cost.

Mr. R. Brown: Ask Kathleen Wynne about the solar.

Ms. Biggar: So, anyway.

Chair: I don't have any more (Indistinct)

Ms. Biggar: You understand what I'm saying? That's why we have to get that education piece out there first –

Chair: I don't have any of the –

Ms. Biggar: – and to work with those individuals?

Chair: – one more?

Ms. Biggar: Then, Mike has put together a great presentation. We have some more slides to show you.

Chair: So, you're not finished with your demo –

Ms. Biggar: No.

Mike Proud: No.

Chair: Jamie Fox, and then we'll go onto your presentation.

Ms. Biggar: Sure.

Leader of the Opposition: Yours or his?

One question for you: Is there way we can put in a tolerance or something or an exceptional clause where we – somebody applies for a loan (Indistinct) retrofit or whatever in their house, right and they get approved.

I know a case, a gentleman in Borden. He got approved for the \$6,000. They went in and they did the work at the back of the house and fixed everything. When they did that they found a serious case of mould in the top of the house. So he went back, the

carpenter says: Listen, we got to get this fixed. I have got no money. So, it goes back to the department. The department says, no, sorry, you got the \$6,000 this year. You have to re-apply next year.

Could we not look at some kind of extraordinary circumstances situation where here's a man –

Unidentified Voice: (Indistinct) senior?

Leader of the Opposition: He's a senior. He's a single-income guy. He has got no way to do anything –

Ms. Biggar: I know, Jamie. Again, that's within –

Leader of the Opposition: And I know that, Paula.

Ms. Biggar: That's a policy within another department, certainly.

Leader of the Opposition: Yeah.

Ms. Biggar: But I think what we need when we're doing those reno-fits to seniors' homes, to low-income, to anyone's home is to tie it in with ensuring that we are collaborating with the contractors on looking at what work is going to be done, and tying that together with what we do, as well, and how we can help. We have made some changes to the contractor requirements and Mike can certainly talk to that, but I think we need to tie that together, yes, between the two programs in making sure that whatever work is being done on a low-income home or a senior's home is going to be the most benefit to them, that they are getting the best bang for their buck because it is a big investment for them and government is also investing in it. We want to make sure that it's a benefit to them, as well.

Mike might want to add something to that.

Mike Proud: Well, like I say, we've had discussions with Family and Human Services as to how we can better integrate the two programs. Hopefully, we'll see some result out of that in the near future.

Chair: Let's continue on with the presentation, Mike. I'm sure more questions will come up –

Mike Proud: Sure. I just wanted to talk about the application process because, I mean, we're not perfect. Sometimes we get angry clients who are mad at us for whatever reason; they don't qualify or everything is not there. I just wanted to go through the process. I'm sure you get the calls, too.

The process of what you're required to apply to our programs. First of all, you must be the property owner with the exception of the HELP program. You must be the property owner if you're applying for any of our programs. That's just because, just from a liability issue. If we give a grant for somebody to put in, say, a wood stove in the home and they don't own the home. They leave the home, they take the wood stove with them. It leaves a big mess. We want to make sure the property owner is the one who applies for the program.

Ms. Biggar: Mike, can I just interject here.

Mike Proud: Yeah.

Ms. Biggar: In regard to that; except for HELP. With the HELP program if you're renting –

Mike Proud: If you're renting and maintaining the heating bill, we'll provide the help over a (Indistinct)

Ms. Biggar: If you renting a property and paying your heat we can go in and help there for nothing, as well, to reduce your heat costs.

Mike Proud: The incentives that we give, we have limits on them; and the limits are on the property, it's not on the individual. So if you bought a house, did some work, applied for a program, moved on, but sold it, bought another house, as long as the house – the grant stays with the property, not with the individual. We're trying to fix up homes in PEI is what we're trying to do. We want to make sure that we can make our money go as far as we can. So limits are on the property, not on the individual.

Documentation may be required to apply to our program. You need the application

signed by the applicant and the contractor; and the reason we ask the contractor to sign the application is we want them to be aware that the client is applying to our program and the systems that he is installing must meet our program requirements. The program requirements are all listed on each application form. So the contractor signs it, they basically acknowledge that the systems they're installing meet the program requirements.

We want the most recent electric bill or some other proof that the building is occupied year-round. We don't want to be giving incentives for people to put air conditioners in their cottages, basically. That's why we had this requirement in there. We require the electric bill to prove that the house is lived in year-round. We want to help people reduce their heating cost. We want to spend our money wisely.

The Vendor Registration Form, this started this year. This is a requirement of the department of finance. They no longer write paper cheques anymore to clients, so it's all electronic funds transfer and they need the Vendor Registration Form completed and submitted by the client. That's another piece of paper we have to have.

We want a paid receipt signed by the contractor because we want to make sure the contractor has been paid before we give out any money under our program. We've had instances in the past where the contractor was promised to be paid, never did, people submitted claims to us and we won't pay them out until the contract's been paid.

For low-income clients, if you're low-income – and \$35,000 is the threshold today – we want to see either your annual GST Statement – that's what we prefer because it's got your annual family income on there. Or, if you acknowledge that there are two people living in the home, then we will take your Notice of Assessment from Revenue Canada. But they have to be the original documentation that we want to see.

We are working with the CRA now to put in place the electronic information transfer, so hopefully in the near future we won't require the paperwork anymore on the income side of things. We'll just be able to

tap into the CRA and they'll give us the information electronically.

We require all documentation to be submitted with the application or we will return it. What happens is if you submit a partial application, we'll put it in the pending file and we'll spend the next six months chasing you. Phone calls every month: We haven't gotten documentation yet, you know we need to get it. So we just decided here about three or four years ago, no more. If the application's not complete, give it back to the client. The client then re-submits it with all the proper documentation.

So that's how the process works to apply to our program.

Chair: Peter has a question.

Dr. Bevan-Baker: Thanks, Mike.

I'm looking at the one where you have to have a paid receipt signed by the contractor. So obviously, the individuals are going to have to come up with the funds initially to do that. Do you have any sense of how much or how many Island families have not gone through with this process because they simply can't put their hands on the \$5,000 or whatever it is?

Mike Proud: No, I can't, but I can tell you we do – about 18 to 20 % of all the applications we receive are from low income clients, or clients that might have difficulty in that. So no, I can't tell you how many don't go through the program because they can't get access to our funding, but I can tell you that yeah, about 20% of our clientele are low-income clients under the 35,000. That's just for the rebate program, that doesn't include the HELP program. So yeah, 20% of our rebate program clients are low-income clients.

Ms. Biggar: I think even the general population; this is why education's very important. I think there's a bit of a misconception that the home reno program is also in our department, and I think that's where we need to make sure that education comes in there too, because he many apply for the home reno program but they might not come over to use and see what else they can give either. So that's where we're making sure those connect more.

Chair: Jamie Fox and Richard Brown.

Jamie?

Leader of the Opposition: Should we be looking at an increase in your budget to help Islanders with this? I'm going to put you on the spot.

An Hon. Member: Good time to lobby for one.

Mike Proud: I'm always looking for an increase in my budget, but –

Ms. Biggar: And we are looking at innovative ways in how we can leverage other dollars to use – you know, with the federal dollars, we're looking at the federal government on how we can –

Leader of the Opposition: Good place to spend \$35 million instead of Cornwall bypass.

Ms. Biggar: Well, that'll – that's (Indistinct) debate.

Mr. R. Brown: (Indistinct)

Ms. Biggar: That's another debate on how we can effectively do that, but we are having discussions because the federal government's very concentrated on green programs as well. So we will have discussions with them on how is the best way that we can partner –

Leader of the Opposition: I meet with so many low-income families and they really want to do better or improve things but they're –

Ms. Biggar: No, every –

Mike Proud: I know, we hear about them every day as well.

Ms. Biggar: Yeah, and you know –

Mike Proud: I know.

Leader of the Opposition: I got a gentleman in my area, that he put in for the grant and he was \$20 over on windows. Senior citizen's wife had passed away –

Ms. Biggar: But you know what? If he applied maybe some for the rebate, maybe that would – that's where we need to work together is what I'm saying.

Mike Proud: Our programs don't exclude – they wouldn't exclude him, but the incentive wouldn't be as high.

Mike Proud: Yeah.

Ms. Biggar: Yeah.

Mike Proud: It's always an issue.

Chair: Richard Brown, then Kathleen Casey.

Ms. Biggar: We can always do better.

Mr. R. Brown: Peter brought up a good point about the low-income people can't afford the 5,000. Why don't we just say to the person in that situation, say: Look, we'll pay the contractor, you sign the form and we'll pay the contractor directly? So now the person doesn't have to go get the five thousand, pay the 5,000. Why don't we just pay the contractor?

Ms. Biggar: And again, that's family services, the \$5,000 grant you're talking about.

Mr. R. Brown: No.

Mike Proud: It's a \$6,000 grant.

Mr. R. Brown: No.

Ms. Biggar: It's 6,000.

Mr. R. Brown: No, no.

Ms. Biggar: (Indistinct)

Mr. R. Brown: Whatever program you had up there.

Mike Proud: It's typically – again, I get your point.

Mr. R. Brown: Good.

Mike Proud: Administratively, it's extremely difficult.

Mr. R. Brown: Come on, Mike.

Mike Proud: No, no. All I'm saying: Do we want to make sure that the funds that we have are used to help people out.

Mr. R. Brown: Yeah.

Mike Proud: That's what we want to make sure we do. If we can keep our administrative costs down, it makes it easier. It gives us more money to spend on people's homes.

Mr. R. Brown: Yeah, but somebody puts on the application: Pay the contractor direct.

Mike Proud: Yeah, but (Indistinct) –

Mr. R. Brown: What's the difference between (Indistinct)

Mike Proud: We did that in the past. It gets to be a bit sticky. It's really sticky.

Mr. R. Brown: Take another look at it, please.

Mike Proud: I mean –

Ms. Biggar: It's all –

Mr. R. Brown: Peter brings a good point.

Mike Proud: (Indistinct)

Mr. R. Brown: We're a low-income family. I can't get the \$5,000 or I could go to payday loans and pay 25% and all that crap. Or, we can say: Look, we'll work with you to pay the contractor and you'll get your house done over. Yeah. I agree with you, Peter.

Ms. Biggar: And I think –

Mr. R. Brown: Not very often, but I agree with you.

Ms. Biggar: It's something for discussion, obviously.

Mr. R. Brown: Good.

Ms. Biggar: Does that make you happy?

Mr. R. Brown: Yes.

Ms. Biggar: Okay.

Chair: Kathleen Casey and Sidney MacEwen.

Ms. Casey: Thank you. Thank you, Mr. Chair.

Mike, throughout the whole presentation you talked about the importance of education, and education on making sure that everybody's aware on how we can become more energy efficient. What type of education programs do you have now, and what is the education program going to look like going forward?

Mike Proud: Well, we started back – we've always done the public education piece to a certain extent. We're out in the public as much as we can. We do presentations to community groups. We do the home show, the trade show circuit, we do (Indistinct). We do some promotion and advertising through the (Indistinct) media outlets.

Back in September, we hired a community outreach coordinator, and it's her responsibility then to look at the social media side of things primarily, and she's done a fantastic job. Really, like, we've come a long way in the last six months.

We're doing a build-a-better-house series across the province. First one in Charlottetown we had in January, 250 people showed up to it.

Mr. R. Brown: That's great.

Mike Proud: I've done these talks across the province for 20 years. I wouldn't have talked to 250 people in total over the 20 years, right? But have them show up at one event, for one – it was just amazing. We did 40 people in Stratford two weeks later. We had one scheduled Tuesday night in Summerside. We had to cancel it because of the weather. It's scheduled for later in the month now. We hope to get another 40 or 50 people for that one as well.

So we're always out there, we're always looking for new ways. We're partnering with other communities. I know we did some work with Charlottetown. We launched the Fix It Fair here two weekends ago. It was a great turnout for that; excellent turnout for that.

Ms. Casey: You were at the trade show.

Mike Proud: Yeah, we were at the home show. We do all those normal things, but yeah, the social media is kind of where we're trying to attack things now. We've got a Facebook page, we got like close to I think 700 people now like us on that. We've got a newsletter we put out every month. We've got about 750 people registered for that. So you know, we're making strides.

Ms. Casey: Thanks. That's good.

Thank you, Mr. Chair.

Chair: Sidney MacEwen.

Mr. MacEwen: Thank you, Chair.

It is exciting to see that kind of turnout, but I still want to go back to what Richard touched on and what Peter touched on, because the people that are not turning out is the people that we go into their kitchen and we can't sit at the table because the roof is leaking right on the table, and they're not the ones at the meetings.

So I do want to go back to it again. When you say it's sticky, how do we make it better? Like when we were talking about paying the contractors directly, because you know what it's like, you talk to them every day.

I know there are other good people in the community doing it, too, but I'll use the example of an MLA doing it. If you don't go in and take them step by step by step and then take them and call up the contractor and get them to get the prices and then literally walk the application into the office to drop it off and do all that work for them, then the vast majority of these people are either – you know, they don't have the time or the interest, but you know it's good for them so you go and do it anyway.

Let's get over the – how do we fix the sticky thing from paying them directly, because it is a huge barrier.

Mike Proud: No, it's something we would certainly look at. Absolutely we would look at it, making it easier for low-income clients to take advantage of the program, for sure.

Mr. MacEwen: But why is it – like, give me the (Indistinct) –

Mike Proud: Why is it sticky?

Mr. MacEwen: Why is it sticky? Is it because (Indistinct) prices or (Indistinct)

Mike Proud: No –

Ms. Biggar: It's manpower right now.

Mike Proud: Yeah.

Ms. Biggar: – three people in that office.

Mr. MacEwen: Okay –

Mike Proud: There's a lot –

Ms. Biggar: Yeah.

Mr. MacEwen: – that's what I –

Mike Proud: There's –

Mr. MacEwen: – wanted to know.

Mike Proud: There's that –

Ms. Biggar: Yeah.

Mike Proud: – I mean in terms of dealing with contractors how do you select them? Who do you select them? We're working on developing a contractor network now.

Mr. MacEwen: Yeah.

Mike Proud: Once that network is developed and you've got some good –

Ms. Biggar: (Indistinct)

Mike Proud: code of conduct in place –

Mr. MacEwen: Yeah.

Mike Proud: – then we can maybe look at expanding to do something more directly –

Mr. MacEwen: Yeah.

Mike Proud: – with the contractors. It takes a lot of work. And you have to make sure you're dealing with the right kind of people, right –

Mr. MacEwen: Yeah, and that's –

Mike Proud: – there are lots of great –

Mr. MacEwen: – what –

Mike Proud: – contractors, but there are lots of lousy contractors out there, too right? We have got to make sure we're dealing with the good ones. So that becomes an issue, too.

Ms. Biggar: And we have to work with the industry, but, you know, the contractors that are out there. We do have to ensure that, as Mikes says, that they are bona fide –

Mr. MacEwen: Yeah.

Ms. Biggar: – contractors because sometimes, let's be honest. What's the cheapest way I can get that work done?

Mr. MacEwen: Absolutely, that's the thing –

Ms. Biggar: Yeah.

Mr. MacEwen: – the people are coming to the meetings and the people that want to build new homes and stuff. That's great for energy efficiency in the long –

Ms. Biggar: That's –

Mr. MacEwen: – long-term. That's one segment, but we have a whole other segment that is strictly worried about: Can I save \$20 a month on heating costs?

Ms. Biggar: Yeah.

Mr. MacEwen: Those are those ones that – we are getting to some of them, there is no doubt about it, but we're not – there are too many to – I'm not – just the fact that you talk about: We can go into an apartment building that someone is renting and we can fix the –

Ms. Biggar: Yeah.

Mr. MacEwen: – caulking or something like that. That huge for –

Mike Proud: I saw an interesting post on Facebook today –

Ms. Biggar: Yeah.

Mike Proud: – it was a company in Summerside. They build mini homes, energy efficient mini homes. Twelve hundred square feet, \$89,000, it costs \$120 a year to heat that home –

Ms. Biggar: Tyne Valley –

Mike Proud: – \$120 a year. That's –

Ms. Biggar: – they're actually –

Mike Proud: Tyne Valley. Okay, sorry.

Ms. Biggar: One-hundred and twenty-one dollars.

Mike Proud: Yeah.

Chair: It would make a great cottage.

Mr. MacEwen: But like you say –

Ms. Biggar: It's 1,100 square feet.

Mr. MacEwen: I think it's important whether this energy strategy comes tomorrow and the department is to treat it separately. How do we get –

Ms. Biggar: Yes.

Mr. MacEwen: – a segment that is just trying to save the \$20 a month versus the segment that's –

Mike Proud: We (Indistinct)

Mr. MacEwen: (Indistinct)

Mr. R. Brown: (Indistinct) cold, too.

Mike Proud: Exactly.

Mr. MacEwen: Well, yeah.

Ms. Biggar: We do –

Mr. MacEwen: – you're right –

Ms. Biggar: – want to target and help as much low-income as we can, but like you said: What else can we do? That's something we need to review.

We have three people, well, two, really. We have a receptionist, who does not do paperwork within that department. How can we combine things? We have processing officers in family services. How can we work together? How can we work with industry? So, that is something –

Mr. MacEwen: Those two or three people, I hope –

Ms. Biggar: Yeah.

Mr. MacEwen: – that’s addressed tomorrow, or whenever it comes, the energy strategy. I mean we have the vice-chair of Treasury Board with us now. I hope that’s –

Mr. R. Brown: Yes, I’ll offer to help, don’t you worry.

Mr. MacEwen: – pushed very hard.

Ms. Biggar: I’m also on Treasury Board.

Mr. MacEwen: Well compensated vice-chair.

Ms. Biggar: It’s certainly something we’re –

Mr. R. Brown: (Indistinct)

Ms. Biggar: – we’ll take it back and certainly take it very seriously –

Mr. MacEwen: (Indistinct) person.

Ms. Biggar: Will it be in the –

Mr. R. Brown: (Indistinct) in that –

Ms. Biggar: – energy strategy?

Mr. R. Brown: – house (Indistinct)

Ms. Biggar: That’s a whole process part, right? It won’t necessarily be in the energy strategy, but it’s something we’ll take into account on moving forward with programs.

Mr. MacEwen: Agreed. Thank you, minister.

Chair: You have my support, too Sid.

Mr. MacEwen: Good. We have, we go into these home in here, right –

Chair: Yeah.

Mr. R. Brown: Good question, Peter.

Chair: They need – there’s no bridge financing for those people.

Ms. Biggar: (Indistinct) discussion.

Chair: Jamie Fox.

Leader of the Opposition: Thanks, Chair.

Since Sid opened the door –

Mr. R. Brown: Peter did.

Leader of the Opposition: – talk about heat –

Mr. R. Brown: Climb out through the window.

Leader of the Opposition: (Indistinct) has energy – has efficiency PEI looked at how much furnace oil that we are now selling at gas stations across the Island?

Mike Proud: No, but I know. I’m aware that it’s a bigger number. (Indistinct) it’s –

Leader of the Opposition: Huge number.

Mike Proud: – a growing number, yeah.

Leader of the Opposition: It’s a huge number.

Mike Proud: From an environmental perspective it gets pretty dicey, too because you have people in filling up their own tanks. How much are they spilling on the ground?

Leader of the Opposition: Yeah.

Mike Proud: It causes a lot of issues.

Mr. R. Brown: (Indistinct)

Mike Proud: The real problem, not the problem, but the issue is that that fuel oil is sold significantly cheaper than you can get it delivered to your home.

Leader of the Opposition: That’s right.

Mike Proud: Significantly –

Mr. R. Brown: Oh –

Mike Proud: – cheaper.

Mr. R. Brown: – is it?

Leader of the Opposition: Oh, I know.

Mike Proud: Oh, 15 to 20 cents a litre cheaper.

Mr. R. Brown: (Indistinct) a tank.

Mike Proud: I've been there myself. When I run out of oil that's the first thing, I'll head over there, right?

Leader of the Opposition: Exactly.

Mike Proud: They've got – the people out with the trucks and they've got big tanks on the back and they're filling them up because it's much cheaper that way than it is to buy – get it delivered to your home.

Leader of the Opposition: Right now, it's hovering around 65 cents, somewhere around that area.

Mike Proud: Yeah.

Mr. R. Brown: What is it, Jamie, 65 –

Leader of the Opposition: Sixty-five cents.

Mr. R. Brown: – and what's it at home?

Mike Proud: Eighty?

Leader of the Opposition: Yeah, it's –

Mike Proud: Or close to 80.

Leader of the Opposition: – up that high.

Mike Proud: Yeah.

Leader of the Opposition: With that, I know at my old gas station the first year we opened that up and put that tank in we almost had one million litres of fuel. I never thought that I would hit that.

My understanding, Queens Arm Esso is up around 3.5 million litres.

Mr. R. Brown: Yeah, it would be.

Ms. Biggar: That would be more finance –

Leader of the Opposition: Yes, but with that –

Ms. Biggar: – that corrects that.

Leader of the Opposition: – I think that, that's a real indicator to efficiency or that whole program across the whole province. I think it's something the department should be looking at.

Mike Proud: Yeah, perhaps.

Ms. Biggar: We can –

Mr. R. Brown: Perhaps.

Ms. Biggar: – I don't know how it applies.

Mike Proud: Like you say, we're not necessarily concerned about where the fuel is coming from it's how it's being consumed in the home, right and how efficient is it with the heating system?

It's an issue of cost. That's why people go there, is because it's –

Chair: How are we making out with the presentation, Mike?

Mike Proud: A couple of more slides, is that all right?

Some Hon. Members: (Indistinct)

Chair: I'd like to get you through the slides –

Mr. MacEwen: (Indistinct) energy strategy (Indistinct)

Mr. R. Brown: (Indistinct)

Mr. MacEwen: Just one –

Leader of the Opposition: According –

Ms. Biggar: (Indistinct) Mr. Maynard here –

Leader of the Opposition: – to this (Indistinct) three minutes (Indistinct)

Chair: Okay, Mike has the floor.

Mike Proud: Just quickly: The equipment and the heat pump rebate program you just come in after the fact. You come in with your receipts and your paperwork and we process your grant.

Mr. R. Brown: Great.

Mike Proud: We do a post inspection. That's it.

For the building envelope upgrades, we want to get there ahead of time. We want to get there before you do the work because we want to make sure that you're getting as much money as you can. We need to determine how much insulation, how the windows are like now versus what you're going to put in so we make the calculation as to how much you're going to get for a rebate.

If we don't know – we can do it after the fact, but we really prefer to do it ahead of time because we'll get you more money at the end of the day. If we have to guess how much insulation was there before, then we're probably going to err on the short side if we do that. Equipment and heat pumps; after the fact, building envelope upgrades; before you do the work. First lot of the program we talked about that.

We also do a consulting service if you want to build a new home. We'll spend an hour to two hours with every client who wants to walk in the door with their plans; the things they need to do to upgrade the plans; the insulation levels; heating system; orientation on the law and all of that kind of stuff. We provide general advice to anybody on energy efficient upgrades.

If you don't want to have the energy audit done, if you're not sure what to do, we spend hours on the phone every week talking to clients about what they could do to upgrade the efficiency of their home or their business.

We do a home heating cost table every time prices change. We update the table. It's available on our Facebook page now, but we can get it to you, we can get you printed copies, as well. It's always updated. It goes back to 2008 from the day we opened the office. So you can track what energy prices have done since that time. It shows you the

cost of different types of heating systems, as well. It touches energy fuel prices; its cost of heating and the different kinds of systems that you can buy.

We have residential energy metres. You want to check out how your fridge is working, whether it's old or new or efficient or not, or any other piece of electrical equipment you can borrow that from us. We do the community outreach so we check – we do the social media, website, email newsletter. We do the community events. We talk to the Women's Institutes, all of the community groups. We have talked to them all. We're always out there talking about energy efficiency.

This year we have processed 671 applications, a total value of about \$400,000. About 80% of those grants are for heat pumps only. We see the average client on – under our program sees about a 30% reduction in their energy consumption based on the upgrades that they're making.

Since 2008 we have given over \$7 million in grants to over 8,000 clients; about \$9.4 million in loans. We have a free weatherization service, again, to 3,600 households. We have helped over 500 businesses and we've generated over \$50 million in building renovation expenditures.

Since 2008, efficiencyPEI clients have saved over nine million litres of heating oil. Currently, on an annual basis we're doing about one million to 1.4 million of heating oil as an annual reduction for the programs that we offer.

Thank you.

Chair: Okay, thank you.

You had your hand up first. You get to go, Peter.

Ms. Biggar: Just arm wrestle.

Chair: You get to go.

Dr. Bevan-Baker: Quick question, Mike.

You mentioned earlier that three point – three-and-a-half to 3,600 people have –

Mike Proud: Right.

Dr. Bevan-Baker: – used the HELP program, but you figure there are 9,000 people out there?

Mike Proud: That's what we estimate the number to be.

Dr. Bevan-Baker: Okay, so if you know that those people are out there, and this is a free program and it's just that these folks are unaware of it, why are you not proactively going into their – approaching them?

Mike Proud: We are. We have people hired that just go out and talk – I mean, we used to talk to MLAs on a regular basis, probably not so much anymore because we're doing other things now. We're going out; we're talking to as many people as we can to make them aware of the program.

Dr. Bevan-Baker: So are some of them saying they don't want it? How come there's (Indistinct) –

Mike Proud: I think it's a – yes, it's kind of a pride issue sometimes. I think it's a literacy issue. I think there are lots of issues why people don't take advantage of the programs that we offer. Yes, they vary for a number of reasons.

John MacQuarrie: We've also worked with service organizations –

Mike Proud: Yeah.

John MacQuarrie: You know with –

Mike Proud: Salvation Army –

John MacQuarrie: – Salvation Army to try to help them –

Mike Proud: We've done all that, yeah –

Ms. Biggar: We do.

John MacQuarrie: – (Indistinct)

Mike Proud: – we're tapping into –

Ms. Biggar: We have that outreach.

Mike Proud: – those as best we can.

Dr. Bevan-Baker: Okay.

Mike Proud: You just can't get everybody through the door you want to get through, for whatever reason. I think it's literacy. I think it's pride. I think it's a lot of other issues like that.

Dr. Bevan-Baker: Okay, thanks.

Chair: Mike, if you're building a new house you go for the heat pump. You go for this new silver type of insulation that goes on the outside. You go for the zone three windows. You go for the roof panels, the electric roof panels.

What would that add onto the cost of a house and do each one of those counteract the other? If you put them all together, would it work? Are you getting the house too tight?

Mike Proud: Well, no. You can never build a house too tight, ever.

Mr. R. Brown: (Indistinct)

Mike Proud: I'll give you an example: The Long River passive house was built here three years ago. That was built to a standard that actually started in Canada back in the 1970s. In fact, it started here in the 1970s. The Austrians kind of adopted it and refined it a bit. The passive house – that passive house it costs a hundred – it's about a 2200 square foot home. A family of four –

An Hon. Member: Really.

Mike Proud: – yes, four kids – six live in that house. It costs them \$120 a year to heat that place. The builder said he did it for about 20% over standard construction, 20% of the cost over standard construction. So it's not the heating system, it's not the solar panels, it's the insulation and the air leakage and building that house as best as you can. Like I say, they've got one baseboard heater in that house – one 1500 watt – basically a hair dryer. They're heating that house with a hair dryer.

Chair: Yes.

Mike Proud: So it's all about the insulating. With the designs, passive solar, it has a big slab that absorbs the sunlight during the day and releases the heat during the night – lots

of insulation. They're 14 inch thick walls, right?

The mini-homes in Tyne Valley, they're 12 inch thick walls, right? That's the trick. If you get some insulation in there, you can reduce the consumption down to near nothing. It doesn't matter what your heating system is. It doesn't matter where your electricity is coming from because you're using so little anyway. So, it's all about the building design, not about the heating system.

Chair: Thank you very much.

Is this the end of this particular part of the program?

Ms. Biggar: Yes.

Chair: All right, I'll just to go Richard Brown.

Mr. R. Brown: Thanks, Chair.

I just want to thank Mike and his staff out at the Office of Energy Efficiency. I've worked with them a number of years and I think the reason this program is so successful is because of the passion and commitment of their staff. You are doing a great job. Keep it up. Every nickel you can save an Islander is great.

Ms. Biggar: (Indistinct)

Chair: Hal Perry.

Mr. Perry: And again, I want to say the same thing, Mike: You're doing a great job.

I just want to add one thing: You mentioned earlier about trying to reach out to those 9000 potential people. As a rural MLA, I know, and especially one of the extremities on the Island, my constituents come to me for the first point of anything government.

Ms. Biggar: Yes.

Mr. Perry: Today I was educated on some of the programs that may be – I may be able to – when someone comes in to me they're applying for the home renovation, well I can say: Have you thought of applying for this also?

Ms. Biggar: Yes.

Mr. Perry: So if you could just kind of reach out maybe to the MLAs, again come back to that because I know in my position on Mondays, constituency day, there's a lineup.

Ms. Biggar: Yes. That's part and parcel why we wanted to come here –

Mr. Perry: Yes.

Ms. Biggar: – because it does get the message out as opposed to just meeting one on one.

Mr. Perry: Yes.

Ms. Biggar: But we certainly can have, you know, through our Access PEI sites right across PEI, that's another point of entry for people to – actually, we moved efficiencyPEI office right into Access PEI in Summerside.

It used to be across the street, so, somebody came there looking for something, and we had to move across. So, we moved it right in. When you come to the front desk at Access PEI in Summerside, right to your left, right in the same location is efficiencyPEI office. We need to have those sites visible or materials visible right at that site and yes, we certainly will work with the MLAs to give much information. Whether it's brochures that you can have to pass out, we can certainly make that happen.

Mike Proud: And we have in the past, like I say, it has probably been a couple of years since we've actually done the circuit of the MLAs and I'll just touch base and talk with them and we'll certainly come back to that.

Mr. Perry: I know there are things I learned today –

Ms. Biggar: Yes.

Mr. Perry: – that I can take back and help.

Thank you.

Ms. Biggar: So we'll make a commitment to get that information out to you.

Chair: Minister, Mike, John: I thank you very much on behalf of the committee for this part of the presentation and I'll let you rearrange yourselves for the second part.

Ms. Biggar: Mike is leaving.

Thank you, Mike.

Al Maynard's with us and will be happy to stay here for the next part of the presentation.

Chair: All right, we'll take about a three minute stretch break and whatever.

[Recess]

Chair: All right, I'll call the meeting back to order.

Your heard my dissertation before. Please identify yourself before you speak into the mics, and the floor is all yours. If you wish, questions during the presentation or would you just rather do the presentation and take questions after?

Ms. Biggar: Well, Mr. Chair, again, as we were invited to come here to discuss what properties are vacant within government that we oversee, so Alan Maynard our director –

Alan Maynard: Public works and planning.

Ms. Biggar: – public works and planning is with us here, and I certainly will – he'll be speaking to this as well, but we look – and Deputy John MacQuarrie is with us as well.

Chair: Okay, well –

Ms. Biggar: I think Alan will take questions as you go.

Chair: All right. We'll let you start the presentation, Al.

Alan Maynard: Director of Public Works and Planning with the Department of Transportation, Infrastructure and Energy.

I was asked to put a little bit of a PowerPoint presentation together to address the question of what would be current inventories of properties and particularly vacant provincial infrastructure.

To do this, put a little context around the department is: TIE either directly or indirectly owns, operates and maintains various types of infrastructure. Again, we have buildings, highways, land, wastewater and water systems, heavy and light vehicle fleet, information technology hardware and software, and windmills.

TIE is responsible for the operation and maintenance of approximately 100 large and small buildings – and again, the conversation I'm having today with this particular presentation will focus primarily on buildings, but it has a land, there's land associated as well with it. So we have approximately 100 large and small buildings which are located at about 70 sites and they contain approximately 1.4 million square feet of space.

In addition to the buildings owned by TIE, there are various other Departments and Agencies that own and operate buildings. Again, these would include: Health PEI, French Language School Board, public school board branches, Economic Development and Tourism, Economic Development and Tourism – Innovation, Provincial Parks, Family and Human Services, Housing Corporation and PEI Liquor Control Commission.

We don't maintain and operate those facilities. Those particular entities operate and maintain their facilities.

Mr. Perry: (Indistinct)

Alan Maynard: That's not unlike most other provinces. Question?

Ms. Biggar: Did you have a question?

Mr. Perry: No. (Indistinct)

Ms. Biggar: Oh.

Alan Maynard: Oh, okay.

Ms. Biggar: Oh, okay.

Mr. Perry: I'm writing this all down.

Some Hon. Members: (Indistinct)

Ms. Biggar: I thought you said excuse me.

Some Hon. Members: (Indistinct)

Mr. Perry: (Indistinct), sorry.

Alan Maynard: So having said that and putting context to that, what comes next is I guess –

Ms. Biggar: What we're here today for.

Alan Maynard: What we're here today for is to talk about the surplus buildings and land.

Ms. Biggar: I think you ask about what our process is and our policy around that is what I think the –

Alan Maynard: Yes.

An Hon. Member: Yes.

Ms. Biggar: – context of the –

Leader of the Opposition: Yeah.

Ms. Biggar: – what the request was, so that's kind of what the information is we put together.

Alan Maynard: The question here as I see it is: The Committee's interested in the current policies regarding vacant property, provincial infrastructure.

An Hon. Member: That's it.

Alan Maynard: That's where we're going to go. What was here next? So what we have here is: How do we end up with a surplus building and land?

When changes in programs or services offered by a department or agency result in surplus space or land, the department or agency must determine if the surplus space or land is either not required or can't be re-purposed. So really, it's a change in program. As we go along here, we'll see this for a number of various reasons.

Departments that determine surplus space or land is either not required or can't be re-purposed, request that TIE dispose of the asset thru their asset disposal process. I highlight process. We don't have a specific policy. There are some policies within the

process, but the process itself is just that – it's a process.

Again, something else I wanted to identify here within that slide is I've also identified the difference between an agency and a department. Agencies can dispose of their property on their own. They don't necessarily come to TIE. Departments will typically send a letter to us and say: We've now got a piece of property that's surplus to our needs; can you please go through the process to assist us in the disposal of this property?

The process goes something like this: We'll typically or almost always receive a notice from the client department indicating that the property or the building is surplus to them. What TIE will do then is TI, through a provincial land review committee, which is a number of different departments that hold land and properties, will have an opportunity to review this vacant property to see is there's any need that they may see within their operations to use that property. That usually takes – it could take 15 days to a month, depending on how it goes through the system.

While that is going on, we'll also be reviewing ourselves to think of ideas that may be available to government from our vantage point as to how could we re-purpose for things that we see as TIE, being a fairly large land holder. We also understand the other government departments, some of their needs and wants, too – health or housing or whatever, if we see the property we'll be working on that as it goes through the provincial land review committee assessment.

At some point as we're going along here and we understand the property of surplus, we'll go through and look at a hazardous material assessment. We'll engage a firm to go through that, find out what may be in that as it relates to either asbestos or lead or anything else that might be hazardous within the building.

We do that for two purposes. We do it for our own information, to better understand – if it hasn't been done. There's a lot of instances where a building has already had a lot of assessment done on it because of the operations in it, but if it hasn't been done

we'll do that and it'll help us then begin to assess what's the true value of repurposing the property. If there's a lot of renovations and a lot of hazardous materials to deal with, it could become very expensive to do anything with it.

It also is information that we'll provide in the event that we get to the point of wanting to sell the property. It becomes information available to a prospective buyer so they can understand what they're buying as well.

[A cell phone rang]

Alan Maynard: If there is no viable interest or options for the building or property, we –

[A cell phone rang]

Alan Maynard: – we will –

[A cell phone rang]

Alan Maynard: We'll undertake to get a property assessment done on it so that we can better understand what the true value of the property may be from an independent appraisal. As well, we'll have conversations with our finance group, question information as it relates to: What is the book value of the property. What is the true value of that property?

What's of interest to us in government when we do that if there's a significant book value on the property, basically what's the value of the property when we dispose of it. It's an asset. If we sell it, it's an asset lost to government, so there's an appreciating value that has to be accounted for by government.

As well, while we're doing that, we also consult with MCPEI on our intentions to sell the building, so there's consultation.

If a viable option for reuse of the building or property is not identified, TIE will seek approval and this is a policy to go to Executive Council and bring it to their attention of how we want to dispose of the properties since there is no interest within government itself.

The memo typically requests approval for the sale of the building, property. In most cases, if not all, allowing options for

community and non-profit consideration, as well as for-profit consideration.

All submissions, both non-profit and profit, are evaluated against criteria identified in the RFP. They'll understand if it's not necessarily just how much you can get for the property, sale value for it. There are factors such as benefit to the community and other things like that, that certainly weigh in as heavily as the value of what they're willing to offer for the value of the property.

It becomes very important those bits of information, more particularly to the non-profit considerations since, typically, when we go out for a non-profit RFP we're typically not looking for any significant amount of money for the property. We're more looking for the opportunity for the property to create some lasting or positive impact to the community.

After all of that, if no viable submissions for the building property are received, TIE will seek funding to cover the cost of the demolition and then proceed with the demolition, retain the vacant property for future use.

I will click through a whole bunch of these –

Ms. Biggar: Alan, did you put in there, and I don't see it, we still have to book the value –

Alan Maynard: Yes.

Ms. Biggar: – on our books.

Alan Maynard: Yeah.

Ms. Biggar: Even though we might put it – a non-profit might get it for \$1, if the value of that is, let's say, half a million, we still have to book that in our book. In our –

Alan Maynard: It becomes a value –

Ms. Biggar: Yeah.

Alan Maynard: – that it's a loss to government as an asset to government. That the book value is really what the residual value is of the property and if it's relinquished to it, a non-profit group for \$1, let's say, then that value has been transferred over to that non-profit group and

government has that much value, less value, in its overall asset value of properties. I was getting through those slides, which is really just talking about the process.

Buildings that have been identified as surplus are typically vacant or inactive. However, a building could be vacant during a period of major renovation or rehabilitation like the big one there right across the street. We would call that a vacant building, but we all know that it has a purpose once it gets renovated.

Utilities such as heat and electricity and fire protection are typically maintained in a vacant building by the former user of the building to protect the value of the asset as we go through the process of what can happen with this piece of property as future use. We try not to depreciate the value if we can if there is value we see from selling it. If, after consideration of options for use, it becomes apparent that reuse of the surplus building is not viable or economical or, perhaps for another reason, utilities may be disconnected to avoid associated costs.

I also provided a slide here of current vacant buildings. Now, I'll put a caveat around the investing of current vacant buildings. This is based on – we have a listing of buildings that we use as a reference, which is, basically, it's from a publication that risk management put out. It basically identifies all government properties that are insured by government. That's not going to capture every piece of property. There are entities that wouldn't be under this, but typically it captures a significant amount of properties.

Again, this is a list of properties that we've gone to other departments and said: What's vacant within that list of properties on that risk management list?

You will see we have – the big one on the top is Province House. We have a small scale house, that's probably a 10x10 building out at our old Queens County highway depot yard because we've now put in place a new scale house out at Brackley Beach county highway depot, a new site out there. The equipment operators' building is also vacant at the old TP yard out in Prom Acadian because again, we've moved those folks out to the Brackley site.

We have a mobile dental clinic that health thought we should probably crush, and we said: No, we'll hang onto that because we may find some use for it. It is just that; it's an old mobile dental clinic.

Other properties that we have are: there are a few homes. There are two homes in Hunter River. They were part of an acquisition through a project where they improved the bridge on Rennie's Road there in Hunter River. There is a property in Stratford, which is retained right now and not being used, but it's part of a future realignment project for highway's capital. The West St. Peters property is a property that is associated with Crowbush property, which will be retained at some point in time, but there are some vacant buildings on that property. I think the only thing that is really giving us issues there is that some point in time there has to be an amount of money expended to remove the buildings from the site.

Two other large properties that are vacant at this point in time is the former Prince Edward Home in Charlottetown and the former Summerset Manor in Summerside. Ongoing, they are vacant. However, the department still has discussions ongoing with those properties as to what the final disposal will be of those.

Two family housing units, which had chronic long-term vacancy issues, which we have been asked – TIE has been asked to assist them in disposing of those. I think that was through an initiative that they had in right-sizing their complement of family housing units.

Again, we have Lindsay, the final one there it's the Stanley Lindsay House in Orwell Corner. That's just a historic home, a heritage house at Orwell, which, again, is not being used at this point in time because of the condition. I guess if, once museum and heritage gets some funding, their intent is to repair the building to the point that it can be an exhibit at the Orwell Corner historic site.

I would say that's a fairly exhaustive list of what we're seeing that's vacant right now. It's not a long list, but that's what we have.

Chair: Okay, Mr. Maynard, my apologies for my phone interruption.

Alan Maynard: That's all right.

Chair: First off we have Jamie Fox, and then Hal Perry.

Leader of the Opposition: Thank you, Chair and thanks, Alan for coming today.

I got two or three questions that I'm interested in. (Indistinct) had submitted a written to you, minister, it had come back and the answer was: The Province of Prince Edward Island owns 810 buildings. This includes all structures insured by the province and small storage buildings, etc.

My question is this province is sitting on 810 buildings: Is there any way we have ever looked at an efficiency of them, or a more, I don't know – it seems like for a province of this size to have 810 buildings, have we ever looked at how to make that more efficient or lessen the carbon input or the carbon footprint that these 810 buildings are having on the environment? Have we ever considered that?

Ms. Biggar: I think we always look at, you know, can we move and, again, combine things from one site into another site with other programs that are going on? I know we've had those discussions very recently on some concepts. Can we move this piece? Like I had just said earlier, with the efficiency PEI, it wasn't in its own building, but it was in a property piece. There are some other units that are rented there, but trying to coordinate all the services, there are some factors.

For instance, we do have to keep some pieces apart. For instance, if we're doing something with justice we may not be able to have family services in the same building, for instance, just as an example –

Leader of the Opposition: I can understand that.

Ms. Biggar: – which is why we have to keep certain properties separate. But the 800 and some properties are the ones which Alan listed, I think, under the ones that we have to insure and keep insured. Are there

efficiencies that we look at? Yes, there are certainly efficiencies –

Leader of the Opposition: I really believe that we have to take look at it as a province to what the actual government is doing to help the environment. With having 810 buildings, I have to question that.

It was very frustrating for me to see the Kinkora C building up there, the senior citizens –

Ms. Biggar: Yeah.

Leader of the Opposition: – sit vacant for 10 years and then finally, we got it torn down last month.

Ms. Biggar: Yeah. I think an example, though, how that can backfire. Certainly, it was necessary to dispose of the one in Kinkora, but when I was elected in 2007, the seniors' unit in Tyne Valley had one person in it. It was talked of being disposed of, but we resisted that, I'll say –

Leader of the Opposition: Yeah.

Ms. Biggar: – and it is now totally full. It depends, kind of, where some of those units are located.

Leader of the Opposition: I would agree with you, minister, on that –

Ms. Biggar: Yeah.

Leader of the Opposition: – but in the case of Kinkora, it was full of asbestos.

Ms. Biggar: Well –

Leader of the Opposition: That's why the people were moved out 10 years ago. But, it seemed like the government didn't want to deal with this asbestos problem. I have to bring up the fact about the former Summerside manor. On here it says it was vacant since January of 2014. That's not right.

Ms. Biggar: It has been.

Leader of the Opposition: It was vacant in 2012. Nothing has been dealt with.

Ms. Biggar: I think it became surplus in 2014, probably is accurate on that date. What's happening with that?

Leader of the Opposition: Yes.

Ms. Biggar: I'll update you on that.

We had two RFPs actually, put out on that building since it became surplus, as recent as just last fall, I think it is, we had another one put out because we did have some interested parties talking to us at that time. We said: Let's go back and put out an RFP and see what happens. None of those individuals put an actual tender in. However, since that time, we have had continuous discussions. We have taken a number of prospective property developers through that facility. That is why we have not moved forward with any kind of a demolition plan. The demolition budget is not in there, but demolition of those buildings comes out of operations, not capital, for our department.

We haven't added any kind of demolition costs. But we are in continuous discussion, as of last week, with several interested individuals, who are looking at that property in Summerside. To say that: Yes, it is still vacant. But however, we are still in discussions with some property developers. We are letting that process work its way through and we have some potential there. We want to make sure that we work through that. I think by generating the RFP, it generated interest in that building again.

Leader of the Opposition: Yes.

Ms. Biggar: That's where we are on that.

Leader of the Opposition: I can appreciate that, but it seems like we're always hoping for the door to be open and somebody walk in, when we're still sitting on these buildings over and over again. Straight Crossing yard: Here we bought that over five years ago. We haven't done anything to it. We're finally putting a couple of feelers out into the public –

Ms. Biggar: That's not in our (Indistinct)

Leader of the Opposition: – and to get something back. But I have been told –

Ms. Biggar: That's still under EDT, it's not in TIE.

Leader of the Opposition: Well still, it's a government property, right?

Ms. Biggar: Yes.

Leader of the Opposition: It's still a government property that we're sitting on that has a liability attached to it.

Ms. Biggar: I think you'll have to – I can't respond and John wants to respond –

Leader of the Opposition: I understand that.

Ms. Biggar: – I guess to something.

John MacQuarrie: It's not a response. I just wanted to add to the discussion by saying that we do have an initiative underway right now where our department – we've already contacted all the other departments and agencies in government and we have told them we're coming to see them to talk about their infrastructure.

Part of this initiative will be an analysis of infrastructure that's currently owned, what the state of it is, what the plan is for any kind of a capital reinvestment, plus any plans for anything new. That's something that we're compiling. We're putting it together right now and I think, to a certain extent, addresses your issue of: Are we utilizing what we have?

Ms. Biggar: Yes.

Leader of the Opposition: I'm glad for that, John, because I think it's something that needs to be done.

John MacQuarrie: Absolutely.

Ms. Biggar: Yes. No, we're very cognizant of that.

Leader of the Opposition: Thank you.

Chair: You're very welcome.

Sidney MacEwen and then Richard Brown, and then Peter.

Mr. MacEwen: Thank you, Chair, and thank you, Alan, and everybody for their presentation.

The property in West St. Peters is a property that borders Crowbush Cove, as you mentioned, the golf course. Can you confirm with me that that property was bought by a private developer who was interested very much to the alter in buying Crowbush Cove and then bought the property from a private proponent of PEI? Then when the Crowbush sale went under, the government bought that property off of the prospective buyer of Crowbush.

Alan Maynard: I can't answer that specifically. That would have been –

Ms. Biggar: Under tourism.

Alan Maynard: That would have been something that would have been booked through tourism.

Mr. MacEwen: Yes.

Alan Maynard: All I know is that it's now come to TIE as a property.

Ms. Biggar: Once all those processes are done. We aren't involved in that kind of a process.

Mr. MacEwen: Okay.

Alan Maynard: (Indistinct)

Mr. MacEwen: Thank you, Chair.

Chair: You're welcome.

Mr. MacEwen: Now you're involved with your owning, keeping care of the property. I've had prospective people come to me. It used to be a lovely farmhouse with land accompanying it. They asked: Can we rent the house? Can we take the hay off the land? Can we – a number of things with it and I put that to the department of tourism with no response back. I'm going to put that to you: Is that an available option for somebody to, if the house is still in decent shape or if someone was willing to come in, it was a gorgeous property right next to it and it's falling apart. I know the former property owner is disappointed about it.

The land is just sitting there too growing up. It's, to be fair, quite unattractive next to one of our Crown jewels here in PEI. I'm wondering what the process is for people from that area to look at?

John MacQuarrie: Come to us.

Ms. Biggar: Yes, we lease land at different parts of the Island for agricultural purposes so bring them to us.

Mr. MacEwen: Excellent, thank you.

Chair: Richard Brown.

Mr. R. Brown: Thank you.

Prince Edward Home is in my constituency. It's a big facility out there and first of all; I think when we're looking at replacing a building with another building, the process of what we're going to do with that building should begin at the same time as when we're saying: We're going to build a new manor. What are we going to do with the old manor? Let's start the process right away because the longer these buildings sit, the value of restoring it goes down and my question is: When are we going to get to this building? Or, are we going to go to an RFP on saying: What can people do with this property? Because I think it's a lot better if we could repurpose the building than to tear it down and throw it in a landfill, if that's possible. But, it's just the delay of it and we have to get to some resolution of it in a faster time than we're doing now.

Ms. Biggar: I know Alan has been very engaged with the City of Charlottetown who are also interested in, I think, engaged in an interest in that property.

Alan Maynard: Yes, they are.

Ms. Biggar: He will kind of give you a little background on that.

John MacQuarrie: We've met with the city on a number of occasions and the city told us that they'd like to see that converted to green space. The last discussion that Alan and I had with the mayor is that they were thinking that the best use would be to take that building down, convert it to green space and actually incorporate it into Victoria Park. That's where the city is at on that.

Mr. R. Brown: Are you willing to give them the whole property for nothing?

John MacQuarrie: That would be someone well above me that would have to make that decision.

Ms. Biggar: It's probably about \$1 million to demolish it so that would be \$1 million that comes out of our operating budget.

Leader of the Opposition: With that, minister, what's the cost of keeping it there a year?

Mr. R. Brown: That's a good point.

Thank you.

Ms. Biggar: We are heating it at the moment.

Mr. R. Brown: What?

Ms. Biggar: It's still under the ownership, actually, of Health PEI.

Alan Maynard: Health still manages it. That's kind of our process –

Ms. Biggar: It's under health; it's not under our department.

Alan Maynard: – until we get to the point of disposing of (Indistinct)

Mr. R. Brown: Alan, to me government is government.

Alan Maynard: Yes.

Mr. R. Brown: Don't (Indistinct)

Ms. Biggar: But we can't make the decision to go out and demolish it tomorrow –

Mr. R. Brown: Yes you can.

Ms. Biggar: – until health –

Mr. R. Brown: Yes you can.

Ms. Biggar: Government can, yes. I agree. But, that's where we are right now.

Mr. R. Brown: I'm just worried with the safety of – it's in a high-volume area.

Victoria Park is where a lot of kids go at night and –

Ms. Biggar: And there is a – part of the city heating system is attached to that, by the way.

Mr. R. Brown: I was getting close (Indistinct)

Ms. Biggar: I'm not sure if you're aware of that.

Leader of the Opposition: Yes, I am.

Ms. Biggar: Okay, so that's part of – you've got to take –

Leader of the Opposition: I actually got a tour on that a week ago and I was told the valve could be turned off like that, on that building.

Ms. Biggar: Shut the heat off to the city?

Leader of the Opposition: On that building, because I asked the question.

Alan Maynard: Well, the heat is off –

Ms. Biggar: Alan knows this.

Alan Maynard: The heat is off the building –

Ms. Biggar: The heat in the building itself is off.

Alan Maynard: The routing of the pipe work with that district heating system on routes through that. It's probably not just turning a valve off. It can be done, but it's just not – it's going to be an undertaking. We have had conversations with (Indistinct) at the time, it's probably about a – they want about six months planning for us to do that. But again, we've had the conversations –

Ms. Biggar: We are having ongoing –

Alan Maynard: You understand (Indistinct)

Ms. Biggar: – conversation.

Leader of the Opposition: Thank you, Chair.

A big concern to me is –

Chair: I had no part of that whatsoever. I'm just trying to move to Peter.

Leader of the Opposition: I'll tell you a big concern to me also is the liability –

Mr. R. Brown: That's a good way to (Indistinct) on it.

Leader of the Opposition: – the liability on buildings, buildings that the province is sitting in, and when we knowingly know that a building is a liability and somebody goes in and gets hurt, or something happens, right?

A prime example I'll take you to is the Strait Crossing yard. You can drive through the gates right now and drive off the end of the wharf and the province owns it and the province is not doing anything to rectify the problem. That's a liability issue. If somebody goes into one of these buildings, and gets hurt or something, it's a liability. I think we need to lessen the liability on the province.

Ms. Biggar: I think that's certainly that's all something that risk management does look at. And that's all part of –

Leader of the Opposition: Yes, that's right.

Ms. Biggar: – of property management, is the risk management side of it as well.

Chair: Yes

Ms. Biggar: Yes.

Speaker: Peter.

Dr. Bevan-Baker: Thank you, Chair.

Chair: I finally got you.

Dr. Bevan-Baker: I'm interested in the cost incurred in retaining unused buildings for future use and you just mentioned the million dollar price tag for demolition of a fairly large building.

Ms. Biggar: Yes.

Dr. Bevan-Baker: – but, if we decide if the building is in good shape and – you know – it's usable for whatever potential purpose, there are obviously costs incurred in

maintaining that building. If I understand it right, that those costs are incurred by the department for which it was – its former use. Is that correct?

An Hon. Member: Yes.

Dr. Bevan-Baker: So my question is: If we were, just for example, a crazy notion that we might close some schools in the province, the cost of keeping those schools, the buildings themselves, operational so they don't fall apart. Can you give us any estimates on what that might be?

Ms. Biggar: I don't have the cost of that, just –

Dr. Bevan-Baker: Is there any way we could get that? Because, obviously these are not the first – would not be the first time we've closed schools.

Ms. Biggar: Just taking that as an example, though, Peter –

Dr. Bevan-Baker: Yes.

Ms. Biggar: – if you look at the St. Peters –

Dr. Bevan-Baker: Yes, which was my next point.

Ms. Biggar: – model I'll call it – where that was turned over to the community and they have developed a business center there and, you know, those kind of – that's a good example of –

Dr. Bevan-Baker: Yes, beautiful.

Ms. Biggar: – what can be done with other infrastructure that is – you know, with Tyne Valley Manor. We have some potential there. When it is disposed of, that a community group is looking to take that particular facility over – or interested in that.

So those are discussions that we need to have before you dispose of a building. Those are very important discussions to have onto what those pieces of infrastructure may serve or be repurposed as. But, we'd have to go back and look at some – in terms of costs on those.

Alan Maynard: It's a weighing of costs of the day against potential of the future, I

think. So it's not an easy answer in every installation. If you say: How much will it cost in one year? Well, shutting the building down has a cost on to its own of depreciating value of the property over the years.

We look at that and we attempt to make our best judgment on whether you shut everything down or try to retain the infrastructure – until we exhaust all options of, you know, potential use for the building. So it doesn't answer the numbers question.

Ms. Biggar: How do we put a value on this – on whether or not we keep the Stanley house, right? How do we put that value on the historic value of that property and weigh that off with maintaining that or keeping it there or – it is a difficult weighing-off process.

Dr. Bevan-Baker: Chair?

Chair: Go ahead.

Dr. Bevan-Baker: Obviously the five schools which are threatened with closure, they're all in different states of disrepair – some of them in fantastic shape. Bloomfield has put hundreds of thousands of dollars into maintaining that. Some require work.

Mr. R. Brown: St. Jean Elementary.

Dr. Bevan-Baker: Yes. But I'm thinking – the information I would like is for a school that has been closed in the past and for us to be given the information as to how much it costs to maintain that building per annum. Just so that we have some sense of what the operating costs in order to do that are.

Ms. Biggar: We'll (Indistinct) –

Dr. Bevan-Baker: That's information I'd love to have.

Ms. Biggar: – what information we can find.

Dr. Bevan-Baker: Thank you.

Chair: Sidney MacEwen.

Mr. MacEwen: Thank you, Chair. Peter mentioned small schools. He kind of started in on the questions I want to ask. So,

first of all I want to preface it with the St. Peters example: I've heard the St. Peters example a hundred times in the past six months. And it is a wonderful example. It's one example – it's an example that works because you have a group of four or five people that started – and one or two people now – that put in 40-50 hours a week managing it.

Mr. R. Brown: Easy.

Mr. MacEwen: Jim MacAulay, Marie Burge. These people completely and utterly give up their lives to manage the facility. So, as much as I want to promote that example, it's not a real example going forward at all. I mean, we've got two or three people that volunteer full time jobs to be managers of that facility and to turn over every crevice and every rock to try and get people – and they've done a wonderful job at it.

Ms. Biggar: Yes.

Mr. MacEwen: Is it realistic going into the future? No. It's not. I don't know. Maybe we can find those people in every small school that is closed in PEI, but, I mean, that is a rare one for sure. As much kudos as possible to the community, it's not a realistic example going forward that we're going to find a manager to put that much time into it. I wish, I hope, we could, but I just want to preface everything with the St. Peters example because I've heard so many times in the past six months and they deserve a lot of credit for that.

What are the plans for potential small schools, the package that might be offered to the community for those schools?

Ms. Biggar: I really couldn't answer. That would all be under the department of education. It's not in our shop until it comes to us, is all I can tell you. There has been no decision, I can tell you, at the Cabinet table. It hasn't come to the Cabinet table. I couldn't tell you today, but there's one, two, three, four, five or whatever –

Mr. MacEwen: No, understood.

Ms. Biggar: – but, if that decision is made that has to come to us as a department at the last leg. That's not something that we're involved in as to what the department or

public schools may do or with any kind of surplus property.

Mr. MacEwen: So there's been no discussion at all?

Ms. Biggar: No.

Mr. MacEwen: – on the package that might be offered to schools. No preplanning?

Ms. Biggar: Well, there's been no plan to close the school – no recommendation to close the school that's come to our department. So, you can't have a plan in advance of a decision that hasn't been made.

Mr. MacEwen: You mentioned earlier in the presentation about – there's a review committee? How often does that review committee meet?

Alan Maynard: What happens is, the property section will put together a package that identifies the surplus property. And it sends two designate people within each department to review or understand: here's a piece of vacant property, do you have anything within the needs of your operations? So, it just happens as the property becomes vacant and as the property section processes the application. They'll look at it, send it out to the group, they'll give them the 15-20 days to respond as to whether they think there's a use for it. If they do identify something, then they'll start to go through the process of: What can this look like and what are the costs? Or, what are the implications? So, it could drag on once there's interest. It's not a scheduled meeting, it's a committee of – it's just sent out and distributed amongst government folks.

Ms. Biggar: Are you referring to the review committee that John mentioned?

Mr. MacEwen: Yes.

Ms. Biggar: Oh, okay, that's a whole other (Indistinct).

John MacQuarrie: That's a brand new issue, so we haven't. All we've done so far is notify every department. Every department has a letter from us saying: We're coming to meet you. We want to do an analysis of your infrastructure. We want

to understand, sort of, what you've got, what the state of it is, what your plans are for it. That's brand new.

Mr. MacEwen: Okay, thank you.

Because, you know, to Jamie's point earlier, about years and years – I think you brought it up too – you write the email to every department that just goes into the abyss. It's never a priority – the empty building – because everybody's got priorities and their full lives, they're busy – going, going, going. So, do you feel that this going forward, though John, is –

John MacQuarrie: We're going to make this happen, yes.

Mr. MacEwen: – is the way to make it happen? Like is that now –

John MacQuarrie: Oh, yes.

Ms. Biggar: Yes.

Mr. MacEwen: – right to push this to the top of the agenda.

John MacQuarrie: Absolutely.

Mr. MacEwen: Because you're right, if it's just an email being sent out it's like –

John MacQuarrie: Everybody's busy.

Mr. MacEwen: No, I can't (Indistinct)

Ms. Biggar: Kind of like an audit of our infrastructure.

Mr. MacEwen: Yes, thank you.

Were there other options, you know, or is that kind of – the group got together and said: This is the way to go forward.

John MacQuarrie: Well, that was our department's idea.

Mr. MacEwen: Yes.

John MacQuarrie: Were there other options? Possibly, but we think this is a logical approach. And to get back to your point – is the department – everyone's busy and sort of left to their own not just deal with business. So, this is our priority, so

we're going to drive this – we're going to go to the departments and sit down with them and do the analysis and make sure it happens.

Ms. Biggar: It's all part of our internal department initiative that we – because it ultimately lands in our plate, that we want to ensure that they're aware of what our plans are.

Mr. MacEwen: Thank you.

Chair: Okay. Our order now is Jamie Fox, Hal Perry, and Richard Brown.

Jamie Fox.

Leader of the Opposition: Three questions: First one is, going back to what Sydney said about (Indistinct). Have you had any conversations in the department at all in regards to if the school is recommended to be closed? Have you had anything?

Ms. Biggar: Absolutely not.

Leader of the Opposition: Not one conversation.

Next question is: Do you actually have a procedure in place or a policy or a guideline when you mothball a building or you put a building in, actually, the surplus category or so on?

John MacQuarrie: That was –

Ms. Biggar: We just went through that.

Leader of the Opposition: Okay, I never caught up on it. So there is actually a policy guideline of how you take a building out of commission?

Ms. Biggar: It's a process.

Leader of the Opposition: It's a process, okay.

Ms. Biggar: And within that process, there are certain policies that we have to follow: i.e. consult with MCPEI –

Leader of the Opposition: Yes.

Ms. Biggar: – bring it to Executive Council, go through that process with the other departments.

Leader of the Opposition: I was thinking more of the nuts and bolts, like: Okay, we'll keep the power going to or the water going to it for three months. After three months, we then cut the water and mothball it and then we just go electricity. After that, then we (Indistinct) –

Alan Maynard: It's not that defined.

Ms. Biggar: It's not, because there could be other factors in play.

Leader of the Opposition: Okay, one other question.

Ms. Biggar: If you look – I'm going to give you an example here, of up in O'Leary. The vet clinic up in O'Leary is a vacant building.

Unidentified Voice: Not really.

Ms. Biggar: Not really because we don't term it as a vacant building because the boiler that heats – Access O'Leary's in it, and we use it for –

Alan Maynard: For storage, yes.

Ms. Biggar: – storage, and –

Leader of the Opposition: Yes.

Ms. Biggar: – so just to say that: Okay, we don't have people in it every day, so we're going to cut the heat off; we're going to do this. There are factors –

Leader of the Opposition: Okay.

Ms. Biggar: – that play in.

Leader of the Opposition: Final question I've got is back in 2015, minister, you said that the new Tyne Valley manor construction will start by that fall of 2015.

Ms. Biggar: Yes?

Leader of the Opposition: We're now at 2017, that's never happened yet. Have you had any plans on what you're going to do with Stewart Memorial when we finally see a new long term care up there?

Ms. Biggar: Okay, going back to what you quoted that I said, the construction would start in 2015?

Leader of the Opposition: Yep.

Ms. Biggar: I don't think I said it would start in 2015, the construction. The actual plans for that started in 2015. We had hoped –

Leader of the Opposition: I can quote you, minister.

Ms. Biggar: Okay.

Leader of the Opposition: It says: “Biggar, whose department is responsible for capital planning...” This comes out of the *Journal Pioneer*.

Mr. R. Brown: Oh.

Leader of the Opposition: “...said construction of the new manor will start by this fall, for sure.” She said that was the intended start date ever since the project was promised...” back in 2015.

Ms. Biggar: Yes?

Mr. R. Brown: She meant the construction of the drawings.

Leader of the Opposition: No she never.

Ms. Biggar: It went actually to planning in 2015. When we put the estimates out, we were not able to – we had the budget in there for 2015-2016. The costs of that went up.

Leader of the Opposition: Twenty-some million dollars.

Ms. Biggar: Three million dollars for Tyne Valley manor. The overall budget for the two manors is \$21 million. Initially it was in the capital budget for 18, so –

Leader of the Opposition: So that's fine.

Ms. Biggar: Yes, so –

Leader of the Opposition: (Indistinct)

Ms. Biggar: So budgets –

Leader of the Opposition: What are our plans for –

Ms. Biggar: Okay, going back –

Leader of the Opposition: – old Stewart Memorial?

Mr. R. Brown: (Indistinct)

Ms. Biggar: I've referenced that a little earlier. We do have a nonprofit organization who have approached us. It has not gone out to RFP. It hasn't even really been made surplus –

Leader of the Opposition: Okay.

Ms. Biggar: – at this point.

We have not gone through the process in making that building surplus. So right now, it's still a long-term care facility. Next step will be we're starting construction. The RFP closes on that tender for Tyne Valley manor today. Okay? So the tender for the new manor closes today.

Once we start moving forward with that, now we have to go back over to this process. Health has to determine that they don't want to use that building, what's presently the long-term care manor. Then we have to go into any other department. Is there another department that might want to use that building for anything use? And you can correct me if I'm wrong in any of these steps.

If no one else does that, then we have to go – and I think part of that, I'm not sure if all of that process has taken place –

Alan Maynard: We've moved on a few of those –

Ms. Biggar: We've done some –

Alan Maynard: – steps.

Ms. Biggar: – preliminary steps?

Alan Maynard: Yes.

Mr. R. Brown: Good.

Ms. Biggar: So we'll soon be ready to take that to Executive Council to make that a

surplus property. Then, we do have an interested nonprofit, organization in the community who are looking to possibly take it over and run it as a community care facility.

Leader of the Opposition: So with that comment, will you assure this committee and the people of Prince Edward Island and the people of Tyne Valley that that building will not just turn into another vacant building sitting there idle?

Mr. R. Brown: Oh, that one won't. Don't worry about that.

Ms. Biggar: I can tell you that there is a group that are very dedicated to moving forward with that project. I can't force them to move forward with that project.

I think it's a great initiative that the community who have been very dedicated to health and services in Tyne Valley, that are dedicated to moving that project forward, and we will assist them in any way in making sure that process goes forward.

Leader of the Opposition: Thank you.

Chair: Hal Perry, Richard Brown, and then Peter.

Mr. Perry: Thank you, Chair.

When you guys sell surplus land there is a duty to consult with First Nations.

Ms. Biggar: Always.

Mr. Perry: You mentioned a while ago in your review process now that you speak to MCPEI, or that's part of it –

Ms. Biggar: Yeah.

Mr. Perry: – consult with them. Does that apply to any surplus or vacant property that is for sale regardless of how much land comes with it?

Ms. Biggar: There are different times that we take possession of land, for instance, that comes in through tax property. In the end of it, if no one bid on it or anything like that, that does come into our department, as well. Those can be little point five lots and those,

you know, but that all goes back out in a public RFP.

Mr. Perry: Okay, even here, in these current vacant buildings, let's say: Does that apply to each one of these that are listed?

Ms. Biggar: Yeah.

Mr. Perry: It would, okay.

Ms. Biggar: Yeah.

Mr. Perry: I have one more question, Chair.

RFPs, you were mentioning about – so, let's say there is a vacant building that you put out an RFP on and a not-for-profit organization submits a proposal and a private individual or a business, let's say. How is that determined?

Ms. Biggar: Non-profits have priority over private.

Mr. Perry: Okay. That's good.

Ms. Biggar: Right? Sort of –

Mr. Perry: If that's the case –

Ms. Biggar: Or am I misstating that?

Alan Maynard: It would be direction that would be provided from Executive Council or we would ask their recommendation. We would typically – typically what we've done is offered out to non-profit. If there is no viable business case that comes back to us it goes out for a second round to the for-profit. There is no cast rule for that; that has been typically what we've seen.

Mr. Perry: Okay, great.

Ms. Biggar: It just happened in the past and that's what I've quoted that on.

Mr. Perry: I appreciate that.

Thank you.

Chair: Richard Brown.

Mr. R. Brown: Thank you, Mr. Chair.

Peter brought up a good point, and I'm not Green. I want to make sure of that.

Ms. Biggar: What's this today?

Mr. R. Brown: No, you know what I mean, on the as the cost of the schooling. The cost of what it's going to cost to maintain empty buildings should be a consideration of closure. I think you're right. I think if they think they think they're just going to –

Ms. Biggar: I'm sure public schools will be happy to hear that.

Mr. R. Brown: Well, they should have done it already, really. Seriously, that's a no-brainer. You know when a company is looking at transferring its facilities or doing something else the cost of decommissioning or decommissioning a plant is always taken into consideration.

Maritime Electric does it all the time.

Leader of the Opposition: McCain's did it.

Mr. R. Brown: What?

Leader of the Opposition: McCain's did it.

Mr. R. Brown: Yeah, so you know, before any decision is made, I think that should be done. Maybe it's a recommendation of the committee.

Chair: Okay.

Mr. R. Brown: Thanks.

Chair: Peter?

Dr. Bevan-Baker: Thank you.

That's a really good point, Richard. In all seriousness, it absolutely is. It was in the Office of the Third Party, it was contained in our written recommendations to PSB so they've heard it from at least one source.

My question is on – we've talked about buildings that are utilized and buildings, which are completely closed or unused. What about the situation where the hub school model, for example, where a building is partially used by – in this case it would be the department of education – but another portion of the building might be used by health and wellness or medical clinic or by human and family services or by rural economic development or some other body.

Have you ever had a process where part of a building has been moved over to another department and would you facilitate that? I'm just trying to get my head around how a hub model would potentially be used, brought into effect?

Ms. Biggar: I don't think –

Dr. Bevan-Baker: It would be a new experience?

Alan Maynard: Yeah.

Ms. Biggar: To my knowledge that hasn't –

Alan Maynard: To that extent.

Dr. Bevan-Baker: Yeah. Okay, that's fine.

Thank you.

Chair: Jamie Fox.

Leader of the Opposition: Just one quick thing, here.

Are you familiar, minister, with the *Public Works Act* ?

Mr. R. Brown: Yes, she's in charge of it.

Ms. Biggar: I haven't read it entirely, but –

Leader of the Opposition: Good reading –

Ms. Biggar: Okay.

Leader of the Opposition: I would recommend it tonight, maybe, take some time with it.

So, possibly we can get this act –

Ms. Biggar: I'm sure the gentleman to my right is familiar with that act.

Leader of the Opposition: Is it possibly, deputy, that we could take this act and have it –

Ms. Biggar: I meant this person here.

Leader of the Opposition: I think it needs to be looked at and made gender-neutral.

Ms. Biggar: Absolutely.

Leader of the Opposition: I've read it, and I think that may be just a recommendation would do. Take a look at it and maybe we could see some amendments

Ms. Biggar: We're always happy to –

Leader of the Opposition: – some amendments in the spring and –

Ms. Biggar: – do anything like that.

Mr. R. Brown: A good private member's bill.

Chair: There you go.

Leader of the Opposition: I can do that, if the minister will second it.

Ms. Biggar: We can certainly do that hon. member –

Mr. R. Brown: Great minister (Indistinct)

Ms. Biggar: – thank you for that suggestion.

Chair: That's the end of my list. Anybody else around the table?

Okay, Mr. Maynard, you're finished with your presentation, pretty well?

Alan Maynard: Thank you very much.

Ms. Biggar: Thank you.

Chair: I just have a question –

Ms. Biggar: Ask him.

Chair: – I have to put myself in here.

In regards to the Prince Edward Home and the City of Charlottetown's interest in it, I think the province had an interest in probably expanding their parking lot and the city wasn't too enthused about that. I'm just wondering is there an opportunity to make it more useful from a safety point of view? There are cars all lined up all around there; the existing parking lot is not sufficing.

Ms. Biggar: That is certainly always a discussion that we look to have with the city. We've had that discussion with the city –

John MacQuarrie: We've had good discussions with the city in terms of expanding parking. Particularly around the Aubin Arsenault, so yeah, we're –

Chair: Because berms can be put in that to break up the eyesight for excess asphalt, too.

Ms. Biggar: There is a heating unit that goes through there, too.

Chair: The other thing I was going to ask here, in regards to repurposing the property, isn't there a certain value to that heating connection? Say, for another building to go in there? Whether it's another government building or whether – any kind of building, doesn't that give that property added value? How much added value would that heating connection – has anybody thought of that?

Alan Maynard: There is a lot of competing interests here.

Chair: I'm just throwing it out there.

Alan Maynard: I wouldn't discount that. Yes, that would be something to consider in amongst all the other considerations of the city's viewpoint, interests to turn it into green space. The province's interest to augment parking in some way, shape or form, and yes, in fact, the value of a piece of property in a prime location, if there was opportunity to do something else with it. Other than those two opportunities, I think there has been nothing – the doors haven't been closed on anything, I think, at this point in time.

Chair: I had a church group approach me about that property wanting to know if it could be available for a new church.

Ms. Biggar: They have never come to us. I've never had that request.

Mr. R. Brown: The Prince Edward Home?

Ms. Biggar: The Prince Edward Home.

Chair: That property.

Ms. Biggar: The property or the building?

Chair: Not the building. That wouldn't suit.

Ms. Biggar: No, that's –

Chair: If the building was coming down this group were interested in putting a church on that property.

Ms. Biggar: On the same location.

Chair: Yes. Plus, the heating is already there.

Alan Maynard: There are some covenants.

Mr. R. Brown: Yes, there are city covenants.

Alan Maynard: There are some covenants.

Mr. R. Brown: (Indistinct) if you drive (Indistinct)

Ms. Biggar: There comes – some deeds come with covenants on them as to what –

Chair: There are churches all over downtown.

Ms. Biggar: Yeah.

Chair: Jamie Fox.

Leader of the Opposition: Two questions on that, actually.

First one, minister: Can you tell us the date, when was the department of transportation officially notified that you had no use of Summerset Manor?

Ms. Biggar: I'd have to go back and look at that, but –

Leader of the Opposition: If you would.

Ms. Biggar: – we can certainly find that.

Leader of the Opposition: The next question is, the old Prince Edward Home. Is that being used for anything at all; any storage, recordkeeping or anything like that?

Ms. Biggar: There are some records there, but there is a new records facility being leased at Slemmon Park, as you probably know. All of those – if they haven't been transferred by now – will be transferred out of there.

Leader of the Opposition: Can you ensure the committee? My understanding was there

were different emergency services groups that were using, or had access to that building. Did they have access and training? Did they have access to any of these records that were stored in there?

Alan Maynard: No.

Ms. Biggar: No.

Leader of the Opposition: They did not.

Alan Maynard: No.

Ms. Biggar: No. They wouldn't be in that area, at all.

Leader of the Opposition: Thank you.

Mr. R. Brown: Great job.

Chair: On behalf of the committee, I'd like to thank you all –

Ms. Biggar: Thank you.

Chair: – for the very informative presentation. Minister, John and Al, it's a pleasure having you with us today, so –

Ms. Biggar: (Indistinct)

Chair: – thank you very much.

Ms. Biggar: (Indistinct) as I said –

Mr. R. Brown: Keep up the good work.

Ms. Biggar: – glad to come back anytime.

Thank you.

Chair: All right.

Some Hon. Members: (Indistinct)

Chair: Thank you.

All right, committee members. Any new business?

Mr. R. Brown: No.

Chair: Sidney MacEwen.

Mr. MacEwen: Thank you, Chair.

You guys raised a really good point. I think our committee should – I'd like to put a motion forward for our committee to send correspondence to Executive Council and to the public schools branch that they consider the operational costs and/or demolition costs of a closed school when they make their final decision.

Leader of the Opposition: And I'll second that.

Chair: You don't have to. I don't think we need a motion if we're all in agreement.

An Hon. Member: Agreed.

Leader of the Opposition: Agreed.

Mr. MacEwen: I agree. I think it's a really good point. You put it in yours and Richard mentioned it, too, so –

Chair: All right. I'll – clerk, would you –

Clerk Assistant (Doiron): I'll draft that letter.

Chair: – draft that up.

Clerk Assistant: Yes.

Chair: And would you like to see a copy of the letter –

Mr. R. Brown: No.

Chair: – before I send it forward?

An Hon. Member: No.

Chair: Are you okay with –

Mr. MacEwen: I think you can send it to committee and (Indistinct) –

Leader of the Opposition: Just for (Indistinct) –

Mr. MacEwen: (Indistinct) send it in.

Chair: Okay.

I'll have the clerk forward that around.

Any other new business?

Leader of the Opposition: No.

Mr. MacEwen: That's good.

Chair: Well, as a new chair, I think you all for an excellent meeting.

Mr. Perry: Chair? When is our next meeting?

Some Hon. Members: (Indistinct)

Mr. Perry: Do we have any scheduled or –

Mr. MacEwen: Tomorrow we're going to be talking about energy strategy.

Mr. Perry: That's what I was going to say. Once the energy strategy is released we should –

Chair: I'm not up to date on this but can I ask the clerk? I'm not up to date on what this committee's been doing. Is there any unfinished business?

Clerk Assistant: There are two items that the committee had discussed at its work plan meeting.

An Hon. Member: Yeah.

Clerk Assistant: There's an invitation that's been sent out to representatives from IRAC, so I'm still looking to organize that. Then there was also the PEI ATV Federation who had requested to come in. I've been in correspondence with their president and at this time they're not prepared to come into the committee, so –

Mr. Perry: Okay.

Clerk Assistant: I've had discussions with him and he has said that they'll leave it for now and when they're interested at a future date to come in, if they'll contact me and then I'll present it again to the committee. So that's kind of where we're at with business.

An Hon. Member: Okay.

Mr. Perry: Okay.

Chair: Okay, so would the committee leave it up to the clerk and myself to put whatever is coming forward together and set a meeting?

Mr. MacEwen: Absolutely.

Chair: All right. I'll call for adjournment.

Ms. Casey: So moved.

Chair: Kathleen Casey.

The Committee adjourned